FILE COPY FILE COPY

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

VOL. XVI Single Copies, 10 Cents. PUBLICATION OFFICE: TORONTO, JANUARY 27, 1922 Annual Subscription $5.00 No. 4

THE PROCESS OF RECOVERY WILL BE GRADUAL

Canada's Trade for 1921 Reflects Influence of Industrial Depression

PRICES ARE UNSTABLE

This Condition Tends to Discourage Buying For Other Than Immediate Needs—Building Outlook

The point frequently made in this column that we must look to another harvest in Canada as the most important factor in bringing about a return of more prosperous conditions was emphasized at the annual meeting of the shareholders of the Dominion Bank this week by **General Manager, C. A. Bogert**, who also stated that it was important that this crop of 1922 should be of more abundant yield than that of 1921 to bring the desired change in conditions. He referred to the necessity for better distribution of our products, particularly in the direction of export markets which had been greatly affected by the adverse legislation in the United States. On the other hand he emphasized that commodity stocks had been greatly reduced by liquidation and were now on a sound level. There was no doubt as to our ability to weather this trying period but it would require hard work, efficiency and economy to eventually emerge to a new era of prosperity on a better basis. The fact that there was no credit stringency—no lack of funds for desirable business—was an important factor in the situation.

The depression experienced by Canadian business and industry during 1921, as well as the influence of the chaotic world exchange conditions are reflected in the year's trade returns just issued from Ottawa. Compared with the corresponding months of the previous year the monthly returns for 1921 each showed a large decline, and no improvement in situation was indicated by the statement of December's trade, which fell substantially under the returns for December, 1920.

Canadian imports for consumption for the twelve months of 1921 were valued at $799,394,598, compared with $1,336,921,021 for 1920, and $941,013,613 for the previous year. Exports from Canada for 1921 reached a total value of $802,699,820, as against $1,272,657,442, and $1,240,995,606 for the years 1920 and 1919 respectively. One encouraging feature of the trade returns at least is noted in the slightly larger volume of exports than imports, as against the very large adverse trade balance of the previous year. There has been a noticeable tendency in the later months of the year toward a betterment of the ratio of exports. This situation as it stands is not an unmixed good, however, as it but serves to intensify the extent to which our industrial activity has declined. The improved trade balance is probably directly due to a large slump in the volume of raw materials imported as a result of the falling off in demand for Canada's manufactured products in the world's markets.

Imports from the United States continue to bulk large in the year's returns. Imports from across the line during the twelve months of 1921 reached a total value of $555,308,193 compared with exports of $326,969,382. Great Britain continues to rank as our second-best customer, and here there is a conspicuous balance of trade in our favor, imports totalling $123,149,009, as against exports of $308,866,848,. In each case the trade returns are well under the totals of the previous year.

Exchange Markets Stronger

The trade outlook for the present year is a little brighter. There has been some betterment of fundamental conditions, which should pave the way to a gradual resumption of international trade, and the extension of local industrial operations. First and foremost the exchange markets have displayed a distinctly better tone since the turn of the year, and there is ground for the hope that the danger of wide prolonged reactions is past. This situation is largely an outcome of international conferences on military and economic questions, and the more favorable prospect of a restoration of some semblance of economic stability. Uppermost in importance at the moment is the problem of restoring some semblance of financial order in the demoralized mid-European states. Until constructive action has worked to the better-

(Continued on page 16)

OUR NATIONAL PROBLEMS

Commencing with this issue a new series of articles by Agnes C. Laut will appear in THE FINANCIAL POST. Miss Laut is now studying Canadian business and economic conditions and with her intimate knowledge of Western Canada will present not only an analysis of the situation as she sees it, but will emphasize some of the important problems which Canada is now facing, and which the new federal government will have to deal with.

The first article, which will be found on page 11, tells of some of the glints which may be found in the present clouds of depression. Miss Laut does not disguise the seriousness of the situation, nor does she regard it as hopeless. Farmers and financiers must both courageously face deflation and consider values on a new basis. Next week the importance of a foreign market for Canada's products will be emphasized—we pay a lot to bring in settlers and spend very little to keep them here.

HEAVY PENALTIES PROVIDED BY ACT

Sir Thomas White Brings Out Important Points Regarding Bank Returns

In the course of an address on "Federal Financial Administration and the Banks," given before the Toronto Bankers' Educational Association, the Hon. **Sir Thomas White**, former Minister of Finance, made some statements having particular interest at the moment because of their bearing on the Merchants Bank situation. Dealing with the Dominion Finance department he said:

> The Department has the duty of auditing the gold reserves. In connection with the audit of the banks required by the Act, the general managers name each year a list of accountants qualified, in their opinion, to act as auditors. This list is subject to the approval of the minister. By the Bank Act no agreement between boards of directors of two banks for the purchase of one by the other, that is to say, for merger, as popularly referred to, is valid without the consent of the Minister of Finance. After such agreement has been entered into and approved by the minister, meetings of the shareholders of the merging banks are held for the purpose of considering and approving of the agreement. Afterwards, the matter goes before the treasury board, which is a statutory committee of the privy council, of which the Minister of Finance is chairman. From the treasury board the agreement for the merger goes before the Government and is approved by order-in-council.
>
> "The Bank Act provides heavy penalties against the making of false returns by any bank to the department. Penalties are also provided for transgressing the law as to the amount of notes which a bank may issue and for other breaches of the provisions of the Act."

VOLUNTARY POOL IS MOTHERWELL'S IDEA

Says This The Best Solution of The Suggestions Being Made

From Our Own Correspondent

REGINA.—Concurrence in the general principles of voluntary wheat pooling as suggested in pre-election speeches by ex-premier Meighen, is expressed by Hon. W. R. Motherwell, recently appointed federal minister of agriculture. Mr. Motherwell states that he believes the voluntary pooling plan as a possible solution of wheat marketing problems was the most feasible of policies advocated by the three schools of thought existing in the west at the present time. These advocated compulsory pooling, voluntary pooling and no pool at all, the latter favoring the wider use of co-operative marketing organizations already established.

Mr. Motherwell indicated that considerations of the problems of the dry areas in Southern Saskatchewan and Alberta, would be one of the policies in which he intended to take an active hand as representing Dominion agrarian interest.

THE ST. LAWRENCE CANAL AS BID FOR FARMER SUPPORT

American Financiers Believe It will Be deferred For Years

From Our Own Correspondent

NEW YORK.—Without awaiting Congressional action the Administration will likely, it is said here, open negotiations with Canada regarding the St. Lawrence Canal project. In its attempts to win support for the Debt Refunding Bill from the members of the agricultural block, the Administration has been compelled within the past two or three weeks to make many concessions to farmer opinion and it is believed that this intention to open negotiations with Canada at once in regard to the St. Lawrence canal is the outcome of one of these promises. Naturally enough the farmers of the West and Middle West are strong supporters of the canal project. With the political situation as it is today, that is almost sufficient in itself to insure the maximum of attention for the project from the Administration.

While New York is far from convinced that there is any great likelihood of the project becoming a fait accompli within many years, feeling that the financial situation in both Canada and the United States is likely to remain unfavorable to the undertaking of any project involving the expenditure of such a large sum of money for many years to come, a number of business men's organizations are busy preparing the ground work for a campaign against the whole scheme.

It is more fear of this organized opposition on the part of the financial and industrial East than anything else which lies behind the apparent desire of Washington to force discussion of the project between the two countries before the Congressional opponents get an opportunity of officially passing upon its merits.

EXPECT AUSTRALIA TO GIVE PREFERENCE

Says Retiring President of Pulp and Paper Association Blames Government Control

From Our Own Correspondent

MONTREAL.—In his presidential address to the Canadian Pulp & Paper Association, Percy B. Wilson, vice-president and general manager of the Spanish River Pulp & Paper Mills, declared that there was reason for believing that action would soon be taken that would improve the position of Canadian newsprint mills in the Australian market. At present there is a duty of £3 per ton. ($15) on Canadian paper while British paper is admitted free. This has made a big reduction in Canadian exports to Australia.

As to changed conditions, he declared that much of the blame was due the interference of the Canadian government in placing the industry under control in 1917-1920.

QUEBEC PROVINCE AHEAD $1,230,000

From Our Own Correspondent

MONTREAL.—The new financial treasurer, Hon. Jacob Nicol, K.C., was able to announce a surplus of $1,230,433 for the fiscal year ended June 30 1921. The revenue amounted to $15,914.521, and the expenditure to $14,624,088. It is estimated that the government's control of the liquor traffic will bring in a profit of about $4,000,000 a year, or nearly $3,000,000 more than under the license system.

GETTING GOOD MEN INTO THE CABINET

The ex-Premier of Alberta, Hon. Mr. Stewart, has been selected by the new Premier of Canada for one of the most important Cabinet positions. His record as Prime Minister of Alberta is generally regarded as very satisfactory. But he is unable to function as a Cabinet Minister because he has no constituency.

The United States, which seems to have the best Cabinet in the world to-day, long ago cut out such nonsense. The President, as head of the party in power, is free to select his own executives. He can get and usually does get able men. Here in Canada we are still tied to obsolete customs which limit us to men elected to the House, who, generally excellent men, are not the most able men in the country. Our system also compels us to go through the farce of re-leecting Cabinet Ministers. Most public men are agreed that our system is obsolete but they hesitate to take action. Hon. Mr. King has an opportunity of cutting out some nonsense in public administration as did his illustrious grandfather—or "notorious" as Tories call him. Let him take steps to put Mr. Stewart in the Cabinet with the privilege of sitting in the House and representing his Department even if he has not a vote.

Is Genoa Conference A Fake?

THE POST has been suspicious of the Genoa Economic Conference from the time it was announced that Russian Soviet agents would have seats there. We are now confident that the main object of the conference is to aid the Lenine-Trotzky policies. Soviet secret agents have been extraordinarily active in the last two weeks in Canadian political and press circles to ensure our representation, and therefore the formal recognition of Russia. They are showing the trade possibilities—the big sums we will lose by not taking part.

When the vice-president of the Empire Club of Toronto frankly expresses the fear that the Old Country is tottering to its fall one realizes the far-reaching effect of the Soviet propaganda. Thousands of well-disposed Canadians contributed to so-called charities in 1921 a total sum exceeding over $1,000,000. All this money went into the pockets of Russian agents and for the spread of Soviet propaganda in Canada. Every official effort to secure an accounting of how this money was spent has failed.

Merchants Official Got From Under

The first official step towards an investigation into the Merchants Bank was taken this week when a Montreal lawyer interviewed the Minister of Finance, Hon. W. S. Fielding, the Premier himself, and the Minister of Justice, Hon. Sir Lomer Gouin.

Acting on behalf of a group of shareholders he asked that a Government inquiry be held into the proposed merger to determine: (1) Whether the shareholders were being offered the best terms possible, and (2) whether the merger was really a necessity.

Probably he was wasting the time of all concerned. The time has passed when either question stands any chance of being settled otherwise than the shareholders will be asked to settle it when they meet on February 8. They have no alternative; they must agree to the merger, and accept the offer that has been made. If they do not they will fare infinitely worse: they and the financial world in general.

Fortunately proxies have been secured sufficient to guarantee the merger, and it will go through.

No, the clear duty of the shareholders—both to themselves and the future security of the banking system of Canada—is to demand an investigation to determine the cause of the disaster, and then see to it that measures are taken to carry out any penalties that may be deserved. Was there gross lack of judgment? Was there recklessness in lending money? Or was there an element of crookedness for personal gain?

The Thornton-Davidson disclosures only touch the surface. Next week in these columns an effort will be made to give some idea of the system—or shameful lack of a protective system—under which commercial loans were advanced.

In the meantime the following instance is submitted as one of scores that might be cited in support of an investigation:

> A high official of the bank, who knew the insolvent condition of Thornton, Davidson & Co. at the time, closed his trading account with the firm in May, 1920, about two and a half months before it went into bankruptcy. He had securities exceeding $100,000 against a debit balance of $14,000, and withdrew these. Had he fared as an ordinary creditor as of July 31, 1920, he would have had his credit balance discounted by the decline in values that immediately preceded the legal "failure," and would have received to date a 10 per cent. payment—with a possible 45 per cent. more, or a total of 55 per cent. His early withdrawal of his securities with "inside" knowledge of the impending insolvency stood to benefit him at least $65,000.

Hydro's Big Show At Chippawa

In January 1917 the Ontario Hydro Electric Commission submitted figures to the government estimating the cost of the Chippawa development at $10,400,000 to $13,215,000.

Five years later with the completion of the first units, $65,000,000 has been spent and it is estimated that the total will be raised to $88,000,000 or $90,000,000 to complete the project.

And throughout, this extravagant program has been carried on, THE FINANCIAL POST reliably learns, without definite estimates from competent experts being secured and without competitive contracts being called. The estimates submitted at the last session of the legislature by the Hydro engineers were soon exceeded by $10,000,000. It is now known that these estimates were not prepared in detail—they were only a guess and as such evidently in keeping with all the other estimates.

Small wonder then that the situation between the Hydro Commission and the government has reached a crisis. Some time ago the government decided that the system of carrying on work without tenders and without definite estimates would have to cease. The personnel of the commission was changed to effect this. At the approaching session legislative action will be taken to bring the Hydro Commission back under the control of the legislature by which it is appointed. The reckless spending of millions without estimates and without contracts and without reference to the representatives of the people of the province will have to cease. All government departments have to bring in their estimates and have them passed—the Hydro has submitted no estimates but merely filled out a blank cheque on the funds of the people which the legislature has been asked to sign after the money has been spent.

War Cannot Be Blamed

Sir Adam Beck has tried to explain the extravagant figures of cost by blaming them on the war. In fact a proposal has been made to write about $25,000,000 off the cost and take it out of provincial funds as a war contingency. But the facts are that the figures which have been quoted were submitted two and a half years after hostilities opened. If the war had any influence it was evidently to cover a wild rush to complete the project under cover of a patriotic demand for more power.

This high and powerful attitude of the commission is indicated in connection with the report of Hugh L. Cooper and his experts when recommendations made after careful investigation by competent experts, were poo-pooed and laughed at by the know-all Hydro engineers. Developments indicate that these recommendations should have been acted upon and that they will have to be recognized sooner or later if the development is to attain desired efficiency. Cooper was employed by Beck with the cognizance of the Drury government after the last provincial election. His report says that he did his best to endorse the Hydro policy and programme but that the defects in the scheme were so glaring, so fundamental, that this was impossible. Yet not only were these recommendations ignored, but the report itself was suppressed—it was tabled in the house but never made public, and that is a mysterious proceeding to say the least.

The Biggest and Grandest

From the first the Chippawa project has been marked by reckless extravagance in every direction. One would almost imagine Beck in the role of Barnum trying to build up the "biggest and grandest show on earth." Private contractors were told that their steam shovels were not big enough. The Hydro had to have the biggest in the world. There was no evidence that they would be more efficient. It was obvious too they would represent little better than scrap value when the work was finished. And so with all other equipment. When it came to generators, Chippawa must have the biggest in the world. The best engineers in England and the United States advised against this policy; the big generators had been shown by experience to be inefficient. But what did Beck care. He wanted the biggest on earth at any cost. It was the people's money he was spending and he evidently figured that if he could put on a good show the ultimate cost did not matter to the people if they could get cheap tickets at the box office.

Truly, it would seem, in the words of Barnum: "The people like to be fooled." To which might effectively be added, however: "You can't fool all of the people all of the time." And there are a growing number of people who are realizing this.

BONDS AND HIGH GRADE STOCKS ARE MARKET FEATURES

Investors Pick Out Securities With Favorable Dividend Records

SPECULATIVE ELEMENT

Apparent in Recent Strength in Utilities Which Have Firmed Up in Anticipation of Better Times

Outstanding strength in government and municipal bonds has been the feature of the investment markets since the turn of the year. Victories have moved forward in a sensational manner, and new bond offerings have commanded a ready market and a record price in the present advance. Interest rates have correspondingly declined and this situation has had an influence upon the balance of the market list. Industrials, which have had a favorable dividend record have been sought out by investors who were no longer satisfied with the reduced return offered by new bond holdings, and there has likewise been a gradual appreciation in price of the securities. A speculative element has been in evidence too, and utilities, which have been operating under adverse conditions arising mainly out of the unusual costs, but for which better things are expected when costs are down, have firmed up under the stimulus of a fairly broad demand. The papers are largely neglected, and do not pursue any definite trend.

An easing up of the money situation is a constructive factor marketwise. The adversities of the adjustment period have not yet been fully surmounted, however. Another industrial cut common dividends in two this week. The action was fully discounted by the market, but the general effect was unsettling.

The business situation is still irregular and uncertain, and there is a slackness in industry. The stock market is ahead of general business and in the present activity there is ground for hope that the return to better times industrially will not be long delayed. World conditions are still highly unsettled, however, and until there is some decided improvement in that situation which will lead to a resumption of international trade on a large scale market development will proceed along conservative lines. It would seem that the market has largely discounted the improvement that has materialized so far, and a large measure of that which is possible without a definite betterment of the mid-European situation. We believe that the advice of a reputable broker can be followed with profit—that "for the time being—at any rate, it would be advisable to confine purchases of securities largely to bonds whose interest is assured and high grade stocks whose dividends have been safely earned, even under recent adverse conditions."

TIME FOR A CHANGE?

MONTREAL.—In anticipation of a change in control Detroit United showed a sharp advance this week.

BIG CUTS IN COTTON WAGES

Many cotton mills in northeastern Connecticut, adopted a new wage schedule this week, with an increase in hours from forty-eight to fifty-five. The wage is cut about 20 per cent.

NEW PRESIDENT

MONTREAL.—It is understood that George M. McKee, general manager of Donnacona Paper Co., will be chosen to succeed Percy B. Wilson, as president of the Canadian Pulp & Paper Association.

MANUFACTURERS ARE NOT REPRESENTED

In view of the fact that the membership of the Ontario House consists of 54 farmers, 12 labor men, 8 merchants and one each from a number of other classes, including the manufacturers, it is hardly a matter for surprise that at the meeting of the Ontario branch of the C.MA. at Hamilton last week, plans should be discussed looking to securing better representation in the legislature for such important interests.

While the general policy of the Drury Government has not been the target for particular criticism by the manufacturers, such measures as workmen's compensation, unemployment insurance, etc., would be much more soundly worked out with the advice of employers when the workers have a strong representation on the job.

SAFETY DEPOSIT BOXES

for the protection of Bonds, Stock Certificates and other Valuable Papers may be rented for a small charge at any of the following branches of the Bank of Montreal in Toronto:

Yonge St. (Corner Queen)
King & Dufferin Sts.
Eglinton (2444 Yonge St.)
Queen St. & Beech Ave.
Bloor St. & Lansdowne Ave.
Cherry and Villiers Sts.
Parkdale (1271 Queen St. W.)
Royce Ave. (196-8 Royce Ave.)
West Toronto (2859 Dundas Street)

BANK of MONTREAL
ESTABLISHED OVER 100 YEARS
Total Assets in excess of $500,000,000

THE MERCHANTS BANK OF CANADA
Head Office: Montreal. Established 1864.
Paid-up Capital. $10,500,000
Reserve Fund .. 9,743,375
Total Deposits (Apr. 30, 1921) $154,911,487
Total Assets (Apr. 30, 1921) $190,367,409
President: SIR H. MONTAGU ALLAN, C. V. O.
Vice-President: F. HOWARD WILSON.
Acting General Manager: H. B. MACKENZIE.
Acting Assistant General Manager: S. C. NORSWORTHY.
Supt. of Branches and Chief Inspector: T. E. MERRETT.
General Supervisor: W. A. MELDRUM.

Collections for Manufacturers

The Merchants Bank can assist very materially your own Collection Department in obtaining acceptances and making prompt returns on Drafts, Notes and other Financial Paper. The Merchants Bank now operates hundreds of branches in Canada, extending from coast to coast, as well as offices in New York and London, England, and reliable correspondents throughout the commercial world. These facilities assure Manufacturers, Wholesalers, Importers and Exporters that their collections will be made quickly and efficiently at the lowest possible cost.

399 Branches in Canada Extending from the Atlantic to the Pacific.

Exchange Rates

WHEN you require information regarding foreign exchange, call at our nearest branch. In direct wire touch with money markets throughout the world and closely affiliated with financial institutions abroad, this bank is able to quote the closest possible rates on drafts and bills of exchange, and to negotiate purchases and sales promptly and satisfactorily.

THE DOMINION BANK 987

Foreign Banking Service in Canada's Commercial Capital

The Union Bank of Canada placed the headquarters of its Foreign Department in Montreal, because at this point it is best able to serve Canadian business men in foreign trade.

This location and private wire connections between branches in New York, Montreal, Toronto, Winnipeg, and connections with Vancouver, enable us to keep closely in touch with conditions in Canada and abroad.

Through continual operations in the exchange markets of Canada, the United States, Great Britain, and world centres, we are able at all times to handle international exchange at closest possible rates.

Union Bank of Canada
910

The Bank of Nova Scotia
Established 1832
Capital ....$ 9,700,000
Reserve Fund 18,000,000
Total Assets 230,000,000
GENERAL OFFICE - TORONTO, ONT.
H. A. Richardson, General Manager.
Branches at all the principal centres throughout Canada and in Newfoundland, Cuba, Porto Rico, Dominican Republic, Jamaica, and in the United States at—
Boston Chicago New York
London, England, Branch,
55 Old Broad Street, E.C. 2.
Collections made at lowest rates and returns promptly remitted. Accounts of firms, corporations and individuals carried on most favorable terms.
Correspondence Solicited.

Inquiries Welcomed

"A New Business and Service Department" has recently been organized in this Bank. Its function is to see that the client gets adequate and courteous service, and to keep that service up to the highest point of efficiency. Inquiries regarding any phase of our banking service is invited by this Department. 854

IMPERIAL BANK OF CANADA
216 BRANCHES IN CANADA.
Agents in Great Britain: ENGLAND—Lloyds Bank Limited, London and Branches. SCOTLAND — The Commercial Bank of Scotland, Limited, Edinburgh and Branches. IRELAND — Bank of Ireland, Dublin and Branches. Agents in FRANCE: Credit Lyonnais, Lloyds and National Provincial Foreign Bank Limited.

RENTS AND FUEL TENDING TO KEEP UP LIVING COSTS

Retailers in Most Cases Passing on Wholesale Reductions

CUTS IN FOODSTUFFS

Analysis of Figures Indicates That Prices of Foods Show Greatest Comparative Reductions

By H. MITCHELL,
Professor of Political Economy, McMaster University, in Canadian Grocer.

At the meeting of the Retail Merchants' Association held in Toronto on January 11, B. W. Ziemann, the president, in his address is reported to have said, "It is not the retailer who is keeping up prices of commodities. The reduction of retail prices has everywhere been commensurate with the reduction of wholesalers' and manufacturers' prices."

This statement is worth examining, and a study of the figures given month by month in the Labor Gazette will allow us to come to a pretty accurate conclusion as to whether Mr. Ziemann is correct or not. The Labor Gazette has for a number of years kept a record every month of the retail prices of 29 articles of food in about 60 cities, the commodities chosen being fairly representative of what the average family of moderate means will consume week by week. The total costs of these foodstuffs at the beginning of November 1921 was $11.08, which compares with the peak reached in June 1920 of $16.91 and $7.96 in November 1914. Now a reduction of $5.83 from the peak to November 1921, is equal to 34.4 per cent. If we now take the index number of wholesale prices, also issued by the Department of Labor, we find that the peak was reached in May, 1920 when it touched 356.6, and that it had fallen to 227.3, which is equal to a reduction of 36.2 per cent. from the peak. We therefore conclude that wholesale prices have fallen 1.8 per cent. further than retail, a difference so small as to be negligible.

Rent and Fuel Considered

What has held up the cost of living has not been the prices of foodstuffs but of rent and fuel. If these two items are added to the family budget, as of course they must be, a very different story is told. Here we find that the highest figure was reached in July 1920, when it touched $26.92 and that at the beginning of November 1921 it had fallen to $21.60, a per cent. decrease of only 19.9.

It is perfectly plain, therefore, that the blame for the failure of the cost of living to fall further cannot possibly be laid to the account of the retailer of foodstuffs. His prices have fallen regularly step by step with the wholesalers. It has been rent and fuel that have kept up.

Retailer Always Gets the Blame

But it is the retailer that always gets blamed because he is the one who is in daily contact with the buying public. The housewife, worried with the continued high cost of living, and not understanding the real facts of the case, takes it out of the grocer with whom she deals, accusing him of keeping up prices. This is only human nature. It is utterly unfair, but the housewife does not know she is being unjust, or else we might hope that her sense of fairplay would prevent her from doing it.

Trade and industry are passing through very difficult times, and have been in that unhappy state for a long period. When one comes to think of it carefully most merchants will agree that a period of rising prices is hardly less trying than falling prices. In both cases the anxieties attendant on unsettled conditions are present. What trade wants is a fair measure of stability with prices neither rushing up nor falling down. Such a condition may be a good deal less exciting, but it is much safer.

BETTER AT BRANTFORD

Industrial Concerns are Now Showing Renewed Activity

The industrial situation is brightening at Brantford. The Massey-Harris Co., has taken on 600 men on full time, and the report is that the work will last for some time. The Cockshutt Plow Company has 350 men working three days a week. The Verity Plow Company has taken on 50 men, with prospects of more departments being opened as the work reaches them.

WOULD SET OWN PRICE

Halifax city council has voted against the city's taking over the St. Margaret's Bay hydro power by the latest contract offered by the Hydro Commission. A resolution was passed to offer the power commission to buy from 18,000,000 to 20,000,000 k.w.h. of power per year at not more than one cent per k.w.h.

DECLINES IN RETAIL PRICES

The head office of the Retail Merchants' Association of Canada, at Ottawa, undertook a thorough investigation of the prices charged in retail stores in 1920, as compared with prices charged during 1921. A very decided drop in prices is shown by their report, averaging approximately 30 per cent.

Groceries dropped 44.49 per cent. and other lines show declines as follows:

Furs	37.3	per cent.
Dry Goods	31.6	per cent.
Hats, Men's	31.25	per cent.
Ladies' Wear	30.9	per cent.
Clothiers	29.16	per cent.
Men's Wear	28.8	per cent.
Boots and Shoes	26.3	per cent.
Merchant Tailors	20.8	per cent.
Confectioners	17.8	per cent.
Butchers	15.0	per cent.

LOWER WAGES TO MEET COMPETITION

Efforts at Conciliation in N. S. Miners' Wage Dispute Unsuccessful

From Our Own Correspondent

HALIFAX.—Efforts of the Conciliation Board in the miners' wage dispute presided over by U. Gillen of Toronto to induce the representatives of the coal companies and the miners to reach an amicable settlement of the dispute over the recent wage reductions in the coal fields of from 25 to 33 per cent have been unsuccessful, and when the Board proceeded to take evidence statements made at its public hearings indicated that the conciliators would have great difficulty finding a solution acceptable to both parties. While the conciliation Board was in action, the drivers in several Cape Breton mines walked out, and 1,500 men were rendered idle. According to the mine managers the drivers had been merely reprimanded for slacking since the wage cut on January 1, while according to the drivers the managers were trying to "drive" them. The Union repudiated the "outlaw strikes," and the men voted to return to work pending an investigation; but took their time about entering the mines.

The burden of the complaint of the miners' representatives before the Board of Conciliation was that the company expected the mines to pay dividends on two idle shipbuilding plants, and on steel plants more or less idle. In reply, D. H. MacDougall, vice-president of the B.E.S. Corporation stated the main object of the merger was to settle disputes between the Dominion and Scotia Companies, respecting the leases of certain coal companies. He pointed out that the corporation was not paying dividends on its common stock, and presented arguments and figures to show that the recent wage rednction was necessary to meet American competition in Quebec and even the Maritime market.

LOWEST LEVEL FOR STEEL IN FIVE YEARS

December Production of Small Proportions—Outlook Improves

The production of pig iron in Canada during December declined to the lowest level for the year, the total amounting to only 39,917 tons. By kinds of iron produced the outputs were as follows; basic, 30,698 tons; foundry, 2,948 tons; and malleable, 6,271 tons. The average monthly output of pig iron in Canada during the year 1921 was 50,000 tons or less than the average monthly record for any year since 1908. Throughout the entire period during which a total of 595,000 tons of pig iron was made, the market was decidedly quiet and the suspension of interest in iron was general. In the United States as in Canada the final week of 1921 was characterized by a quiet market and declining production. In spite of this condition, however, there was evidence that there would be an early resumption of activities in the iron trade and the opinion was generally expressed that the first month of the new year would see the beginning of an upward movement in production. The low price of steel in December was not only the low for the year but was lower than at any time since January, 1916.

Two furnaces of the Algoma Steel Corp. which were in blast at the beginning of December were closed down before the end of the month. The Dominion Steel Corporation also which had two furnaces in blast on December 1, finished the year with only one furnace working. There were only two furnaces active on December 1, one operated by the Steel Co. of Canada at Hamilton, and one by the Dominion Steel Corp. at Sydney. Throughout the greater part of the year at least five furnaces were active, December being the only month in which fewer than five were in blast.

Manitoba has a population of 613,008, based on the figures taken in the decennial census last June. In 1911 the population was 455,614. Winnipeg, the capital of the province, now has a population of 178,364 against 128,157 in 1911, an increase of 31.12 per cent.

FOREIGN PAPER IS INSIGNIFICANT AGAINST CANADA

European Imports Into U. S. a Bare One-Sixth of Canadian

812,860 TONS IN 1921

Compared With Canadian Production of 883,000 Tons in 1920—Better Than U. S. Average

From Our Own Correspondent

MONTREAL—Figures covering the importation of newsprint into the United States from Europe from September, 1920, to October, 1921 show a total of only 144,569 tons for the 14 months or an average of about 10,000 tons a month. This represents only 8 to 9 per cent. of the total consumption of the United States during that period and compares with 650,000 tons shipped into the United States during the 12 months ending November 1921. It will thus be seen that in 14 months European paper shipped into the United States represented only 20 per cent. of what was shipped in by Canada.

The following are the totals for various countries of Europe during this 14 month period mentioned above:

Germany	55,539	tons
Sweden	43,514	"
Finland	22,182	"
Norway	18,395	"
Other countries	4,939	"

The largest amount shipped in any one month was 23,514 tons in December, 1920, and the next largest 16,532 tons in August 1921.

The figures covering the month of November last as supplied by the department of Commerce of the United States show a total of 74,544 tons imported during November of which Canada supplies 63,266 tons or 85 per cent.; Sweden 5,416 tons or 7 per cent; Germany, 2,295 tons or 3 per cent.; Norway, 1,736 or 2½ per cent. and Finland 1,110 or 1½ per cent.—all almost infinitesimal compared with Canadian shipments.

Figures that have been received from the News Print Service Bureau, which covers the production of 44 newsprint mills in Canada and the United States enables a comparison to be made of the record of Canadian mills for 1921 as compared with 1920. In this respect Canadian mills compared more favorably than those of the United States as Canadian production amounted to 92 per cent. of the previous year whereas the United States mills showed a decline to 76 per cent. of the total of the previous year.

The production of Canadian mills during 1921 amounted to 812,860 tons as compared with 883,215 tons in 1920. The shipments during the past year were 808,109 as compared with 878,999 one year ago.

Another interesting comparison runs along the lines of the capacity of the mills in the two years. The total capacity in 1920 was 862,420 tons, while in 1921 this had been increased to 1,012,164 tons, the capacity per day comparing as 2,782 for 1920 as against 3,276 tons in 1921, an increase of nearly 500 tons a day or close to 150,000 a year. Thus it will be seen that the production in 1920 ran about 102 per cent. of capacity while production in 1921 was just over 90 per cent. of capacity.

The production of United States mills in 1921 was 970,620 tons as compared with 1,255,388 tons in 1920, a loss of 284,779 tons. The daily production in 1921 was 3,131 against 4,037 tons in 1920, a loss of about 900 tons a day.

Taking the total production of the two countries, the figures for 1921 were 1,783,480 tons in 1921 as against 2,138,614 in 1920, or 5,761 tons a day in 1921 as against 6,886 tons in 1920.

GERMANY AND MEXICO

Provide Expanding Markets for United States Exports

Germany and Mexico are the two principal countries of the world to which the United States increased the total value of her exports in 1921. This is the more remarkable, says the Trade Record of The National City Bank of New York, in view of the fact that export prices of a very large proportion of the articles forming that trade are much lower in 1921 than in 1920. In probably four-fifths of the articles sent to either of these countries the quantities show large increases over 1920 and the values a very considerable advance, the total to Germany show large increases over 1920 and the values a very considerable advance, the total to Germany in the 11 months ending with November, 1921, being $351,000,000 against $253,000,000 in the same months of 1920, and $75,000,000 in the corresponding months of 1919, while to Mexico the total for the 11 months ending with November, 1921, is $210,000,000 against $176,000,000 in the same months of 1920 and $119,000,000 in the corresponding months of 1919.

THE UNION BANK OF AUSTRALIA, LTD.
Established 1837. Incorporated 1880.
Capital Authorised and Issued £9,000,000
Capital Paid Up £2,500,000
Reserve Fund £2,750,000
Reserve Liability of Proprietors £5,000,000
Head Office 71 Cornhill, London, E.C. 3
The Bank has 182 Branches, viz.:
In Victoria 42
In New South Wales 38
In Queensland 19
In South Australia 14
In Western Australia 20
In Tasmania 3
And in NEW ZEALAND .. 46
Drafts upon these Branches are issued by the Head Office and may be obtained from the Bank's Agents throughout the world. Commercial and Circular Travelling Credits issued — available throughout the world. Cable transfers are also made. Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.

The Molsons Bank
Incorporated 1855
Capital and Reserve $9,000,000
Over 130 Branches

When any business problems arise, we invite you to consult the manager of the nearest branch of the Molsons Bank. With their wide and varied experience in solving all kinds of business difficulties, few men are better qualified to give you wise counsel than the managers of the Molsons Bank.

EDWARD C. PRATT
General Manager

ROYAL BANK OF SCOTLAND
Incorporated by Royal Charter 1727
Paid-up Capital ....£ 2,000,000
Rest and Undivided Profits. 1,241,777
Deposits 40,740,031
Head Office:
St. Andrew Square, Edinburgh.
Cashier and Gen. Mgr., A. K. Wright.
Secretary, J. B. Adshead.
London Office—3, Bishopsgate, E.C. 2.
Alex. Dick, Wm. Whyte, Joint Mgrs.
Glasgow Office—Royal Exchange Square and Buchanan Street.
Thomas Lillie, Agent.
175 Branches throughout Scotland.

Banking business of every description transacted. Deposits received at interest repayable at call or at notice. Drafts, Circular Notes, Letters of Credit and Cable Transfers issues — available throughout the world. Foreign Exchange. Accounts opened and Agency business undertaken for Foreign and Colonial Banks and other financial establishments. Correspondence invited.

THE EMPIRE LOAN COMPANY
Winnipeg, Man.
Paid-up Capital and Surplus....$735,000.00
Total Assets 900,000.00
Debentures secured by deposit of mortgages with a trustee.

Anglin-Norcross
(LIMITED)
Contracting Engineers and Builders
MONTREAL TORONTO HALIFAX

Robert Cassels W. G. H. Browne
A. M. Brown
Cassels, Browne & Co.
Members Toronto Stock Exchange
318 Dominion Bank Building
TORONTO
Direct Private Wire to New York, Chicago and Washington

5% Bonds or
8% P'f'd Shares ?

Predictions point to a further decline in bond yields to 5% or less. To-day, a sound industrial Preferred Stock offers 8%, with a substantial Common Stock bonus. This merits the attention of every careful investor.

English Electric
8% Cumulative Preferred Shares with a bonus of 40% Common

afford an investment secured by the stability and growing opportunities of the electrical manufacturing industry in Canada, and the past success and renewed prestige of a leading company now making internationally famous products. The substantial Common Stock bonus makes the investment additionally attractive. Write us for full particulars.

Graham. Sanson & Co
LIMITED
INVESTMENT BANKERS
85 Bay Street TORONTO
37 James St. S. HAMILTON

BUILDINGS
Erected
Repaired
Appraised
For any purpose in any part of Canada

POOLE CONSTRUCTION COMPANY, LIMITED
Contractors and Engineers
Regina - Sask.

Vol. I. $4.50 1921 Vol II. $5.50
Municipal Bookkeeping and Auditing
By O. J. Godfrey, F.C.A.
Vol. I.—Rural Municipalities, Telephone Companies, Schools, Hospitals, &c.
Vol. II.—Complete System of Municipal Accounting, Instalment Debentures, Annuity Debentures, Sinking Fund, &c., &c.
The Carswell Co., Limited
145-149 Adelaide St. W. Toronto, Can.

BURNETT, PORTEOUS & CO.
STOCK & BOND BROKERS.
MEMBERS MONTREAL STOCK EXCHANGE
17, ST. JOHN STREET, MONTREAL.
TELEPHONE MAIN 8385-6

RELIABLE INVESTMENTS
Security—then Profit
A. Angus Macdonald & Co.
Canadian Pacific Bldg. - Toronto

Union Trust Company Limited
TRUSTEES, EXECUTORS
4% Interest on Deposits
Winnipeg TORONTO London, Eng.

Satisfactory Service Guaranteed
PRUDENTIAL TRUST COMPANY
LIMITED.
Trustees, Executors,
Administrators,
Real Estate and Insurance.
Safety Deposit Vaults.
B. HAL. BROWN,
President and General Manager.
HEAD OFFICE
PRUDENTIAL TRUST BLDG.,
Montreal.
Branches throughout Canada and in London, Eng.

FOREIGN TRADE PROJECT WILL BE ABANDONED

Collapse of Scheme no Surprise to Canadian Bankers in N. Y.

BANKERS TOO NARROW

Evidently Fail to Appreciate Importance of Foreign Trade and Necessity for Financial Support

NEW YORK.—The announcement that the organization committee of the $100,000,000 Foreign Trade Financing Corporation had decided to abandon the project came as no surprise to Canadian bankers who have been following the development of this plan to resurrect Uncle Sam's foreign trade. Almost from the first to those who were in a position to follow the efforts of the organizers to obtain the capital necessary to put the corporation on its feet, the project seemed doomed to failure. In spite of the fact that the American Bankers Association endorsed the plan amid a great deal of publicity in October 1920, the bankers of the country never really got behind the plan. The promoters led by John McHugh, resident of the Mechanics and Metals National Bank, encountered in all parts of the country in the course of their efforts to raise the $100,000,000 the corporation needed, that passive opposition based upon indifference which is perhaps more difficult to counter than opposition of a more active kind. When to indifference was added the frankly stated allegation that the corporation was being formed by the large banks in order that they might unload their frozen credits onto the shoulders of the smaller banks in all parts of the United States, the difficulties of the promoters were immeasurably increased.

The committee on Commerce and Marine of the American Bankers Association placed the plan before the association and the corporation was formed in January 1921 to aid in the development of American foreign trade. The bank was to have operated under the Edge law.

Opposition in Chicago

In February, however, opposition developed in Chicago. Here none of the bankers would subscribe to the stock because they felt that the capital of the proposed bank was too large. This type of opposition continued throughout the year. It was generally believed however during the greater part of the year that the bank would start business but with a greatly reduced capital. But even operations on a small scale were found to be impossible. Members of the organization committee encountered the general slump in business and the demoralized condition of foreign exchange. The corporation was criticized freely in the banking world as too unwieldy. Everything seemed to combine to make it impossible to raise the capital the corporation needed to start business.

American Provincialism

Thus went glimmering the most pretentious scheme evolved in this country for the rehabilitation of the financial side of American foreign trade. And Canadian bankers are inclined to believe that the latest scheme designed to achieve much the same purpose, which now has the backing of the American Bankers Association, the ter Meulen plan so called, is likely to meet a similar fate. And the reason for its failure will be mainly the same: the apparent inability of the average American banker to either appreciate the value of foreign trade or the necessity that exists for its financial support. This provincialism has caused most of the big American banks to close their foreign offices, opened during the course of the war. It will likely prevent American bankers doing much toward rehabilitating their foreign trade.

LAKE SHIPPERS' REPORT

Increase in Amount of Grain Inspected in 1921

A report on the year's operations of the Lake Shippers Clearance Association also contains a comparative summary of the quantities of different grains inspected during the past three years. The table is as follows:

	1921 crop	1920 crop	1919 crop
Wheat.	156,772,090	124,928,975	79,497,500
Oats .	24,476,400	23,983,050	27,562,500
Barley	7,129,350	6,663,600	7,214,400
Flax .	1,222,000	2,275,000	1,099,000
Rye . .	2,265,500	1,871,050	1,210,000

Berlin copyright to Chicago Tribune says William Coombs, London representative of Pressed Steel Car Co., conferred with Hugo Stinnes Friday. He is reported to be seeking to have Pressed Steel Car Supply Russian railway material needs through Stinnes.

SCREENINGS AS FUEL

Expense of Heating Cut in Half at Port Arthur

The use of elevator screenings, which consist of straw and weeds, for fuel is being generally practiced in the business blocks of the city. Since the ruling of the board of health that no more screenings should be dumped into the waters of the bay, the elevators have been hard put to find an outlet for the ever-increasing surplus. The Whalen building, one of the largest in the city, is now being entirely heated from screenings fuel. The fuel expense has been cut in half.

The Y.M.C.A. is saving $200 a month. Other buildings are reporting immense savings.

HOW B. C. MARKETED APPLES IN NEW YORK

Panama Canal a Factor in Transportation Costs—Exchange Also Helpful

From Our Own Correspondent

VICTORIA— Two thousand carloads of British Columbia apples have been exported to markets outside Canada, according to J. A. Grant, market commissioner of the provincial department of agriculture, who has just returned here after investigating conditions in the eastern sales territory.

Of the 2,000 carloads shipped, about 800 went to the New York market, Mr. Grant states. Large, highly colored apples won high favor in the east and as long as Canada can produce apples of that kind they will be able to sell them, he believes. An important factor, of course, was the fact that United States production was about 50 per cent. of normal, but it is believed that the British Columbia apples have established themselves permanently in New York.

The exchange rates helped to some extent, and also the low rates charged for shipping by the water route through Panama Canal. Overland the charge was 80 cents. By Panama Canal it was merely 40 cents, the haul from the Okanagan to Vancouver adding 25 cents a box.

PLACER GOLD YIELD IN CANADIAN YUKON

Results for the Past Year Were Higher Than Those of 1920

From Our Own Correspondent

VICTORIA—Production of placer gold in the Yukon, Canadian territory, during 1921, was valued at roughly $1,250,000, according to government reports based on collection of royalties in Dawson. This is larger by nearly $20,000 than the yield for 1920.

The large dredge and hydraulic plants, working the creeks within a fifty-mile radius of Dawson, are responsible for most of the output. The Highest Creek dredge in the Mayo district, and rich new paystreaks in the old Miller Glacier districts added considerably to the year's yield.

A special issue of the Dawson News, dealing extensively with the mining situation in the Yukon, claims that the year's showing proves the Klondike the most durable of all northern placer camps, while new dredging operations assure the district of at least twenty-five more years of activity similar to that of 1921. General Manager Wheeler, of the Alaska, White Pass & Yukon Railway, recently stated that the Mayo district was likely to develop the richest silver mines on the continent.

TRAFFIC ON CANADA'S CANALS

Shows an Increase of 672,182 Tons For 1921

The freight traffic on Canadian canals increased 672,182 tons during 1921 compared with 1920, due to increases on the Welland of 800,894 tons, on the St. Lawrence of 666,103 tons and on the St. Andrews of 456 tons. These were due almost entirely to large increases in shipments of grain and lesser increases in shipments of pig iron, iron and steel, petroleum and oil and sugar. The traffic on the Welland and St. Lawrence canals was the heaviest in their histories except for the years 1913 and 1914. There was a decrease on the Canadian Sault Canal of 480,226 tons due to decrease of 730,568 tons of iron ore, 100,388 tons of soft coal, 42,410 tons of pulpwood and other minor decreases although grain shipments were considerably heavier. There was also a decrease of 30,555,288 tons of freight through the American locks due almost entirely to the slump in iron shipments, which decreased from 55,784,496 tons to 22,457,888 tons. The Chambly Canal showed a decrease of 145,042 tons, the largest decrease being pulpwood 83,760 tons and sawed lumber 44,511 tons. The Ottawa Canal showed a decrease of 61,560 tons, with a decrease of 56,560 tons in lumber. The Murray canal showed a decrease of 82,052 tons in crushed stone and a total decrease of 90,955 tons. The other canals showed small decreases.

THE LEVELS OF PRICES AND WAGES STILL DISRUPTED

The Prevailing Business Disorganization Is the Result

WORKER AND HIS HIRE

Labor Must be Prepared to Produce Goods at Prices Which the Farmer Can Afford to Pay

By CHARLES E. MITCHELL,
President, National City Bank of New York

Business today is suffering from industrial disorganization resulting from the fact that the level of prices and wages has been disrupted. How can there be activity in commerce, how can there be activity in commerce, how can there be prosperity—a prosperity where labor is freely employed and is receiving a return sufficient for the necessities and sane pleasures of life and something more for the savings account—so long as there is a wide divergence that exists today in the degree of deflation in various sections of this country and in various trades? The product of the farmer has been deflated in price to the pre-war level. On that basis the value of his crop this year is calculated by the Department of Agriculture at eight billions of dollars less than it was two years ago. This means that on the basis of war prices for the manufactured commodities he would buy, the purchasing power of that greatest of purchasing classes is reduced by the sum of eight billions of dollars, or more than one-half. If the prices of other commodities had kept pace with the decline of the farmer's products his buying power would, of course, be undiminished; he would be able to buy the same quantity of goods, and his purchases would give employment to the same number of wage-earners as before. Furthermore, since production and consumption would be approximately the same, everybody would be practically as well off as before, although measured in money the total volume of the trade would be less.

Worthy of His Hire

Now, there is a maxim that represents I should say a first principle, which says that "the laborer is worthy of his hire." This must in the last analysis have some relation to a stabilized standard of values. The laborer is entitled to a return for his service that will permit his employer to manufacture in competition and receive an adequate return on his invested capital and a fair profit to boot. Wherever labor in any industry demands a compensation that violates this principle, labor is retarding a return to prosperity.

When I was a boy living in this community, Lynn was the one great shoe centre of the United States, and I understand it has developed extensively in recent years. I was amazed to learn, however, from a member of this Chamber who sat in my office quite recently that there were but two shoe factories in Lynn now in operation, and that those two factories were manufacturing specialties; that the reason the rest were shut down was because labor was still demanding practically the equivalent of the war-time wage, a wage nearly fifty per cent. in excess of the wages which I knew were being paid and gladly accepted in that shoe centre which has been built up far more recently—St. Louis. Can and will the Western farmer buy shoes that are produced at the war-time wage when his own product is being sold at pre-war time prices? Obviously, no! And there can be no commercial rehabilitation, no sound prosperity, while such discrepancies, such disorganization exist.

Farm Products Cheap

The farmer's products may be,—they probably are,—selling at lower prices than they should, for naturally in the absence of a normal buying power in the idle or partly idle laborer in Lynn and elsewhere, there cannot be a demand for the agricultural products of the Western farmer that will give to his prices a normal level. Assuredly the Western farmer cannot and will not buy Lynn-made shoes until there is some approximation of real value between the bushel of wheat he offers and the shoe that is offered from Lynn.

"The laborer is worthy of his hire," but that worth will be measured not only by what the wage will buy but by the competition coming from within this country and as well from those European countries where labor, and efficient labor, mark you, is working today for less in many cases, measured by the things which the wage will purchase, than in pre-war days. "If we would have prosperity, the laborer must adapt himself to the changed conditions just as the manufacturer and merchant find they themselves must. He must remember that hard work and a free giving of his full strength are essential to the competition of the day; and that, and that only, will bring him a return in the desired things of life. These are the proper measure of wage—not the actual amount of cash that comes in the pay envelope.

THE ROYAL BANK OF CANADA
Statement to the
Dominion Government (Condensed)
December 31, 1921
Head Office
MONTREAL

LIABILITIES

Capital Paid Up	$ 20,400,000.00
Reserve Fund	20,400,000.00
Undivided Profits	905,044.98
Notes in circulation	31,255,261.14
Deposits	385,863,514.61
Due to other Banks	11,076,191.59
Bills Payable (Acceptances by London Branch)	4,776,724.19
Acceptances under Letters of Credit	9,168,863.52
	$483,845,600.03

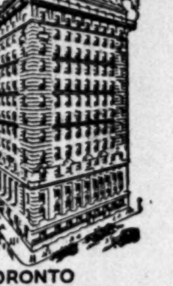
ASSETS

Cash on Hand and in Banks	$107,641,407.78
Deposit in the Central Gold Reserves	14,000,000.00
Government and Municipal Securities	34,951,465.81
Railway and other Bonds, Debentures and Stocks	16,251,120.08
Call Loans in Canada	16,769,626.36
Calls loans elsewhere than in Canada	25,043,791.83
	$214,657,411.86
Loans and Discounts	247,138,641.87
Liabilities of Customers under Letters of Credit as per contra	9,168,863.52
Bank Premises	10,663,753.40
Real Estate other than Bank Premises	958,968.28
Mortgages on Real Estate sold by the Bank	272,961.10
Deposit with Dominion Government for Security of Note Circulation	985,000.00
	$483,845,600.03

704 BRANCHES IN CANADA, NEWFOUNDLAND, WEST INDIES, CENTRAL and SOUTH AMERICA, also LONDON, NEW YORK and BARCELONA.
Paris Auxiliary—THE ROYAL BANK OF CANADA (France)

THE HOME BANK OF CANADA
SENDING MONEY BY MAIL
The safest way to send money by mail is to buy a Home Bank of Canada Money Order, which affords perfect security and provides a receipt for the amount.
TWELVE BRANCHES IN TORONTO
Head Office, 8-10 King St. W. Toronto
Branches and Connections Throughout Canada

The Weyburn Security Bank
Chartered by Act of the Dominion Parliament
TWENTY-FIVE BRANCHES IN SASKATCHEWAN
HEAD OFFICE - WEYBURN, SASK.
DIRECTORS:—Alex. Simpson, Pres., Minneapolis, Minn.; Jos. Mergens, Vice-Pres., Weyburn, Sask.; J. A. McBride, Weyburn, Sask.; Frank Moffet, Weyburn, Sask.; H. N. Morphy, Weyburn, Sask.; S. E. Oscarson, White Rock, S.D.; N. D. McKinnon, Weyburn, Sask.; H. O. Powell, Gen. Mgr., Weyburn, Sask.
A General Banking and Foreign Exchange Business Transacted.

ESTABLISHED 1872

TORONTO OFFICE
THE immense resources of Canada must be developed to increase production of wealth sufficiently to take care of the country's indebtedness and to stimulate a continuous healthy growth. The Bank of Hamilton stands behind increased production and legitimate business enterprise.
BANK OF HAMILTON
BRANCHES THROUGHOUT CANADA

NOTICE
There appears to be prevalent the mistaken impression that the Marconi Company's Trans-Atlantic Service is available only for messages to the United Kingdom. Attention is directed to the fact that full-rate and deferred-rate messages may be filed at any MARCONI or C.P.R. Telegraph Office, routed for transmission
"Via Marconi"
not only to the United Kingdom, but to numerous points in Europe, Asia, Africa and South America.
N.B.—Rush messages for the United Kingdom marked "Via Marconi" may also be handed in at any C.N.T. Office, but all other classes of "Via Marconi" traffic must be filed either with the Marconi Company, or at the Telegraph Offices of the C.P.R.
The Marconi Wireless Telegraph Company of Canada, Limited
Marconi Building
11 St. Sacrament St. Montreal

American Manufacturers Export Association urges its members to take action to sav some 340,000 cases of undelivered merchandise, valued at $60,000,000 to $80,000,000, now in Havana bonded warehouses and dock companies.

PATERNALISTIC SCHEMES AFFECT RESULT OF LABOR

Workers Inclined to Take Week Off With Compensation

FOR UNEMPLOYMENT

Estimate That Insurance For Unemployed Would Cost at Least Twenty-six Million Dollars a Year

The provincial legislation dealing with workmen's compensation was again the topic of considerable discussion at the meeting of the Ontario Branch of the Canadian Manufacturers' Association at Hamilton last week, when, apart from the reiterated suggestion that the employees themselves be asked to contribute to the fund, the definite proposal was made that the manufacturers be represented on the Workmen's Compensation Board in view of the fact that Labor already has a representative there. It was pointed out that the board as originally formed was of a judicial nature, with no special class represented. On the death of Mr. Wright, however, a departure was made and, in the face of objections by the employers, the government adopted the suggestion of the Minister of Labor that a labor man be appointed. The attitude of the manufacturers is that the board should be a judicial one, but that if the workers are to be represented then it is only fair that the employers should also have their representative.

Statistics continue to show that the effect of advancing the compensation from 55 to 66 2-3 per cent. with the additional provision that nothing is paid unless a man is off work for a full six days has had the effect of largely increasing the number of accidents—not necessarily actual accidents, but those so reported under the act.

The reason for the additional number of accidents reported is not very difficult to find when the fact that the compensation is two-thirds full pay and that nothing is paid for a shorter period than a week's lay-off is taken into consideration. It was pointed out that under these circumstances workers are inclined to pick out doctors who may be disposed to favor them and from whom a certificate may be secured without too rigid examination even though the employer had just as much as the workman to say with regard to the selection of a doctor.

With the figures before them the manufacturers feel that there is considerable malingering and that the only cure for this is to collect a portion of the fund from the workers who will then have an interest in seeing that a few employees do not get a holiday out of a fund to which they contribute. The employers would not object if the percentage were raised to 75 per cent. if the workers would contribute 25 per cent. as their share.

Unemployment Insurance

Unemployment insurance in England, it was pointed out, has been very costly in spite of the fact that the allowance to unemployed only amounts to 15 shillings per week. If the system were adopted in Canada the rates would probably be much higher and it was estimated that unemployment insurance here would cost at least $26,000,000 per year.

One of the speeches brought out the point that if a man did not make good in any line of business he usually drifted to some other line and in this way eventually found the work he could do best. Unemployment insurance tended to keep a man in the same line of business whether he was making good or not and made a "loafer" out of him as in many cases it had been found that men preferred to loaf and draw a small unemployment relief dole rather than go into some other line of work where they could make more money.

February Dividend Payments

Banks	$585,214
Industrials, Etc.	3,427,072
Bond Interest	1,238,785
Total	$5,251,071

Industrials, Etc.

Company	Rate	Amount
Amer. Salesbook pref	1¾q	$53,782
Brit. Emp. Steel 1st pref	1¾q	349,125
Canada Cement pref.	1¾q	183,750
Can. Converters	1¾q	30,336
Cedar Rapids Mfg.	¾q	66,750
Coniagas	2½q	100,000
Dominion Bridge	1 q	65,000
Dom. Coal pref.	1¾q	52,500
Dom. Stee pref.	1½q	105,000
Kaministiquia Pow.	2 q	44,000
Monarch Knitting pref.	1¾q	13,125
Mont. L. H. & P. Cons.	1¼q	805,943
Mont. Tramways	2½q	97,005
Murray-Kay pref	1¾q	17,500
Ont. Steel com.	1 q	7,500
Do pref.	1¾q	13,125
Penmans com.	2 q	43,012
Do pref.	1½q	16,125
Mont. L. H. & P.	2 q	376,000
Russell Motor com.	1 q	8,000
Do pref.	1¾q	21,000
St. Law, Flour com.	1½q	18,000
Do pref.	1¾q	10,062
St. Maurice Paper	2 q	157,998
Steel of Can com.	1¾q	201,250
Do pref.	1¾q	113,684
Eastern Theatres pref.	3½	17,500
Twin City	2 q	440,000
		$3,427,072

Banks

Imperial	3 q	$210,000
Merchants	1½q	157,500
Nationale	3 q	60,000
Standard	3½q	133,070
Sterling	2 q	24,644
		585,214

BOND INTEREST
Industrials

Company	Rate	Due	Amt.
Abitibi Pulp	6	1934	$120,000
Canada Bread	6	1941	33,567
Can. Foundries	6	1942	5,052
Canada Paper	6	1938	4,500
Can. Machinery	6	1940	9,051
Harris Abattoir	6	1927	22,164
Lyall Cons.	6	1932	26,355
Wm. A. Rogers	6	1932	12,960
Wayagamack	6	1951	99,078
Western Can. Pulp.	6	1950	36,000
Do	7	1940	35,000
Woods Mfg.	6	1931	11,400
Illinois Traction	5	1925	25,000
Mexican L. & P.	5	1933	283,512
Montreal St. Ry.	4½	1922	15,329
Quebec Ry.	5	1941	58,900
Canada Steamships	5	1943	138,777
Duluth South Shore	4	1990	302,140
			$1,238,785

CABLE EXTENSIONS BY MACKAY COMPANIES

Plan New York-Emden Connection at Cost of $10,000,000—Stock is Active

Transactions in Mackay Common do not in the ordinary course of events, bulk large in the market dealings upon the Canadian exchanges. This week, however, Mackay broke away from its conservative tendencies, and in an exceptionally heavy turnover moved to 82, almost equalling the high record of November last. Sales on the Montreal and Toronto exchanges reached an aggregate of 2,018 shares on Tuesday last. Just what was the nature of the "tip" that stimulated this unusual demand has not yet been determined, but there is a rumor, that with the approach of the Mackay Companies' annual meeting of a probable increase in the dividend rate. The common is upon a 6 per cent. basis and the preferred at 4. At the current market price the common stock offers a yield of approximately 7½ per cent. With an unbroken dividend record Mackay common has assumed the status of an investment security, and present movement is no doubt due in part to the adjustment of yield to correspond more closely to the trend of bond prices.

Proposed cable extensions have undoubtedly had beneficial effect upon the stock. President C. H. Mackay has recently announced that the Commercial Cable Co., a subsidiary of the Mackay Companies, had closed a contract with a German company for the laying of a $10,000,000 cable line from New York to Emden, Germany by way of the Azores. It is expected that the work will be completed within eighteen months. The Commercial Cable Co. will connect New York and the Azores, and the German company will make the 1,838 mile Emden-Azores connection. Direct cable service between this continent and Germany has been interrupted for the past eight years. It is understood that the proposed new cable line will involve any new financing.

CONSOLIDATED SMELTERS

Ore receipts, reported by the Consolidated Mining and Smelting Company, for the second week of January amounted to 8,703 tons. For the first two weeks of January the total is 17,636.

LARGER OUTPUT FOR HOLLINGER IN 1922

Operating Conditions Steadily Improve—May Lead as Gold Producer

The new Modderfontein mine of the Rand in South Africa, which continues to outrival Hollinger for the premier honors in the world's list of gold producers announce a production of half a million ounces for 1921. While the official statement of Hollinger's production for the year is not yet available, it is generally expected, following earlier reports that the total production will not fall far behind the output of the African mine. While the latter is threatened with a reduction of output during 1922, present indications point to a substantial increase in the production of Hollinger. It will be recalled that Hollinger was seriously handicaped in her production during the first three months of 1921 because of the acute power shortage in Northern Ontario. Reports of the operations of the later months indicate a continually expanding output, and the year opens with general conditions much more advantageous to the mine operators. It is conceivable therefore that Hollinger may not only diminish the superior margin of output of the New Modderfontein during 1922, but may even surpass her rival.

FOX FARMING NOW DEPENDS ON QUALITY

Department of Agriculture Asked to Co-operate in Improving the Industry

From Our Own Correspondent

CHARLOTTETOWN. — The fox ranches of Prince Edward Island during 1921 sold live animals for breeding purposes to the value of over $500,000 while the pelts produced during the year were worth $1,500,000, according to the estimate of W. C. S. McLure, one of the leaders in the industry. An interesting statement made by Mr. McLure is that the quantity production of fox furs on the island last year would have been worth $5,000,000, if the quality had been what it ought to have been. In order to improve the quality of the fur production of the island, Mr. McLure says that fox farming should be brought under the Department of Agriculture, instead of under the Tax Department.

The Dominion government has employed Dr. J. A. Allen to study fox breeding and advise the farmers, and it is said he has already accomplished wonders. At Mountain Road near Ottawa, Ont,, Dr. Ennis Smith is also experimenting with a small ranch and a few foxes supplied by P.E.I. farmers. But Mr. McLure considers the possibilities of fox farming warrants experiments on a large scale, and argues the need of a large experimental station on the island, under the joint control of the Dominion and Provincial departments of Agriculture.

TWIN CITY RAILWAY

A dividend has been declared of 2 per cent. for the past year on the common stock of Twin City Rapid Transit. This is payable February 10 to shareholders of record February 3. This company had to abandon its regular dividend policy on the common stock in 1917. In the year 1918 2 1-2 per cent. was paid with 1 per cent. in 1919 and 2 1-2 per cent. in 1920. The present dividend will make a total of 8 per cent. paid in the past four years or an average of 2 per cent. per year. The stock is fairly widely held in Canada.

TORONTO RAILWAY

Notice has been given to the City of Toronto by E. R. Wood, on behalf of the trustees for the bondholders of the Toronto Railway Co., that any money which may be paid into court toward payment for the system shall not be paid without the consent of the solicitors for the mortgagees. Furthermore, the $500,000 now in court to abide the event of arbitration should not be paid out of court without notice.

NEW DIRECTORS FOR UNITED FINANCIAL

Canadians Replace Directors Representing Guaranty Trust Co. of New York

From Our Own Correspondent

MONTREAL—An important change has taken place in the Board of the United Financial Corporation of Montreal, Toronto, Ottawa and London, Eng. Four Canadian directors have been chosen namely, Sir Herbert Holt, F. W. Molson, Robert Adair and Hon. Smeaton White, to replace four vice-presidents of the Guaranty Trust Company of New York who were previously members of the Board namely, A. Breton, Harold Stanley, E. W. Stetson and J. R. Swan. It is understood that the new directors have acquired in part the interests formerly held by the Guaranty Company in the United Financial Corporation. The officers of the organization now stand as follows: president, Sir Charles Gordon, who is president of the Dominion Textile Company and vice-president of the Bank of Montreal; vice presidents, A. J. Brown, K.C., vice-president of the Montreal Trust Co. and a director of the Royal Bank; Charles F. Batchelder, formerly of the Guaranty Trust Co. who will continue to manage the United Financial Corporation, and Major N. B. MacDougall of MacDougall & MacDougall, stock brokers. The other directors are C. R. Hosmer, Wm. McMaster, W. A. Black, Geo. Chahoon, Jr., A. E. Holt, Charles Meredith, Sir Herbert Holt, F. W. Molson, Robert Adair and Hon. Smeaton White.

Among the new directors Sir Herbert Holt is president of the Royal Bank and the Montreal Light, Heat & Power Consolidated; Mr. Molson is the new president of Molsons Bank; Robert Adair is president of Hartt & Adair Coal Company, and a director of the Sun Life, and Hon. Smeaton White is publisher of the Montreal Gazette, and a director of the Steel Company of Canada and the Montreal Trust Company. A. P. D. Williams will continue as secretary-treasurer.

CANADA TRUST CO. ADDS TO RESERVES

Now Amount to 70 Per Cent. of Paid-Up Capital—A Year of Progress

The Canada Trust Co. made progress during 1921, with a further increase in profits and a general strengthening of the company's financial position. Profits for the year stood at $169,544, as compared with $164,395 for 1920 and $140,352 for the previous year. After taxes and including the balance forward of $20,642 there was available for distribution the sum of $178,366 as compared with $165,629. Of this amount $119,988 is applied on dividends, being made up of two half-yearly dividends at 8 per cent. per annum and a bonus of 4 per cent. and $50,000 transferred to reserve as against $25,000 for the previous year. The reserve fund now stands at $700,000 or 70 per cent. of the company's paid-up capital. Following are comparative figures for the past three years:

	1921	1920	1919
Profits	$169,544	$164,395	$140,352
Taxes	11,820	19,522	19,455
Net profits	$157,724	$144,873	$120,897
Bal, forward	20,642	20,756	5,601
	$178,366	$165,629	$126,498
Dividends	119,988	119,988	79,992
Patriotic			750
Reserve	50,000	25,000	25,000
Balance	8,378	20,641	20,756
	$178,366	$165,629	$126,498

Assets have increased from $11,038,023 to $11,880,538, the increase largely accounted for by the gain in the estimates, trusts and agency accounts, which have advanced from a total of $5,064,237 for 1920 to $6,613,613. The company has no real estate on hand, all properties which came into its possession by foreclosure or otherwise having been sold.

	Capital Accounts	Guar. Trust Accounts	Estates, Trusts etc
1921	$1,788,370	$3,478,554	$6,613,613
1920	1,750,633	4,223,152	5,064,237
1919	1,685,752	4,860,636	4,234,387
1918	1,645,597	4,719,765	3,544,906
1917	1,595,271	4,528,581	2,790,190
1916	1,534,090	3,318,224	2,659,503
1915	1,472,392	3,045,144	1,754,332

WESTERN LUMBER

The sales of lumber in November, as reported by the Canadian Western Lumber Company, which includes the Columbia River Lumber Company, amounted to 5,142,006 feet for which $129,279 was realized. This compares with sales for the same month in 1921 of 4,263,550 ft., realizing $180,589. For the eleven months ending with November the sales aggregated 81,083,568 ft. for which $2,119,880 was realized, while for the same period in the previous year the sales amounted to 101,156,593 ft., realizing $4,661,922.

EASTERN THEATRES DIVIDEND

A dividend has been declared on the preferred stock of the Eastern Theatres Limited, at the rate of 3½ per cent. for the current half year, payable February 15, to shareholders of record January 31. This company operates the Pantages Theatre, in Toronto, and business is said to be proceeding in a satisfactory manner. It is understood that earnings have approximated $1,500 weekly for the past eighteen weeks.

SOMEONE BLUNDERED ANSWERING INQUIRY

Deputy Minister O'Hara Explains That Junior Officer Did Not Know His Job

In connection with the item appearing in THE FINANCIAL POST last week stating that the Department of Trade and Commerce had referred a trade inquiry regarding exports of grain products to Central America to representatives of Central American countries in Canada, F. C. O'Hara, Deputy Minister, writes that the instance was an exception of hundreds of inquiries dealt with. He explains:

The facts of the case are as follows: The Commercial Intelligence Service is expanding very rapidly. Is so happened that the man in charge of the Trade Enquiry Division on January 3rd had to be withdrawn suddenly for more important and urgent duties. Upon the morning when your letter was received, namely, January 4th, several trade enquiries, including your own, were given to a junior who, though a university graduate, is in process for training for the Commercial Intelligence Service abroad. The letter went out without having been seen by the director of the Commercial Intelligence Service.

I have pleasure in attaching hereto, a list of Commercial houses in the newly organized Dominion of Central America, who are handling flour and other grain products. The list of firms given has been obtained from a satisfactory source, but the department cannot vouch for their financial standing.

While Spanish is the language of all the countries referred to, doubtless a considerable number of the firms referred to would understand English. There are various methods in which they can be approached. A circular in Spanish would be preferable, in which you might request them to furnish bank references, and you could be guided accordingly, or you might communicate with the British Consul General and ask him to recommend importers for you. He will doubtless recommend certain firms, and he will also tell you, of course, that his office is not in any way responsible as to the financial standing of the firms referred to.

The Commercial Intelligence Service is costing approximately $230,000 per annum, but from which no revenue is received. It has been impossible, therefore, to enlarge its comparatively small personnel board to the desired point where an adequate service covering all countries could be achieved.

The Power of The Future

With coal high in price and never likely to be low again, the ability to deliver Water Power at a fair price and in adequate supply, places before our Water Power Companies their greatest opportunity—an opportunity they have been quick to seize, as is proved by the continuous growth in net earnings of most of them.

The inevitable result of this favorable condition will be a notable advance in the prices of Water Power Securities.

Let us submit you further facts upon which we base our recommendation for investment in Water Power Securities.

NESBITT, THOMSON
and Company Limited
TORONTO
Hamilton Montreal London, Ont.
111

GORDON IRONSIDE AND FARES COMPANY, LIMITED

NOTICE IS HEREBY GIVEN that a Meeting of the Holders of the Six Per Cent. First Mortgage Fifteen Year Sinking Fund Gold Bonds of Gordon Ironside and Fares Company, Limited, (hereinafter called "the Company"), secured by Trust Deed dated 12th September 1912, made between the Company and The Standard Trusts Company, of Winnipeg, as Trustee, will be held in the Board Room of the Canada Life Assurance Company, 46 King Street West, Toronto, Ontario, on Tuesday the twenty-eighth day of February, 1922, at three o'clock in the afternoon, for the purpose of consulting with the Bondholders and considering, and, if thought fit, passing Resolutions for all or any of the following purposes.

1. Approving the policy heretofore adopted and recommended for the future by the Trustee in its Report dated January 16th, 1922, issued by the Trustee, copies of which can be obtained at the office of the Trustee in Winnipeg and at the offices of the Secretary of the Bondholders' Committee hereinafter referred to at 26 East King Street, Toronto, No. 15 Canada Life Building, Montreal, and No. 6 Austin Friars, London, E.C., England, and ratifying and approving the steps which have been taken and which are proposed to be taken by the Trustee in connection with the maintenance and carrying-on of the Company's undertaking by the use for that purpose of the sinking fund in its hands.
2. Appointing E. M. Saunders, Treasurer of the Canada Life Assurance Company, Miller Lash, of the firm of Blake, Lash, Anglin & Cassels, and J. W. Mitchell, Vice-President of the Dominion Securities Corporation, Limited, as a Committee to represent and act for the Holders of the said Bonds and to advise with the Trustee, such Committee to have such constitution and powers as are set out in this notice and as to the Meeting may seem advisable.
3. Authorizing the Trustee (until instructed to the contrary by the Bondholders in accordance with the provisions of the Trust Deed), with the previous sanction of the Committee, to waive all defaults committed by the Company or which may from time to time hereafter be committed by the Company in the observance or performance of the obligations of the Company under the said Trust Deed. PROVIDED ALWAYS that no such waiver shall release the Company from its obligation to make good such defaults as and when required by the Trustee with the approval of the said Committee or when required by the Bondholders.
4. Providing that notwithstanding any of the provisions contained in the Trust Deed no Bondholder shall be entitled to take action against the Company either to enforce the payment of the whole or any part of the principal or interest due in respect of the Bonds held by him, or for the appointment of a Receiver or for foreclosure or sale or otherwise for the enforcement of the security constituted by the Trust Deed, without the approval of the said Committee; and that until otherwise determined by the said Committee or by the Bondholders the Trustee be requested to refrain from taking any steps to enforce the security constituted by the said Trust Deed.
5. Authorizing the Trustee, with the approval of the said Committee, to take such steps as it may consider necessary to give effect to any Resolutions passed at the Meeting, and for the protection of the Trustee in that connection; and authorizing the Trustee to act upon or in accordance with any Direction or Resolution of the said Committee.
6. Generally to pass any other Resolutions which the Meeting may consider desirable for the protection of the Bondholders or for giving effect to the recommendations of the Trustee or the said Committee at such Meeting.

DATED the sixteenth day of January, 1922.

THE STANDARD TRUSTS COMPANY, Trustee.
"Wm. Harvey."
Managing Director.

Holders of Bearer Bonds must produce at the Meeting either their Bonds or evidence of their ownership of such Bonds by a certificate issued by a Trust Company or Bank showing that such Bondholder had, subsequent to the date of this notice, on deposit with or exhibited to such depository the Bonds numbered and described in such certificate. Registered Bondholders and Bondholders holding certificates as aforesaid may vote by proxy. Forms of proxy may be obtained at the office of the Trustee and at the offices of the Secretary of the Bondholders' Committee above mentioned.

THE
NATIONAL CITY COMPANY
Limited
Bonds and Investment Securities

Canadian Advisory Board:
RT. HON. LORD SHAUGHNESSY, K. C. V. O., Chairman.
SIR JOHN AIRD. EDSON L. PEASE.
MARTIAL CHEVALIER, SIR AUGUSTUS NANTON
SIR LOMER GOUIN, K. C. M. G. W. N. TILLEY, K. C.
LT.-COL. HERBERT MOLSON, C. M. G., M. C.

Canadian Head Office:
74 Notre Dame Street West, Montreal.

10 King Street East, Toronto, Ont.
McCurdy Building, Halifax, N. S.
83

SALIENT FACTS
Of the Operations of 1921

INSURANCE IN FORCE
$46,000,000.00

Surplus, Policyholders' account
$945,158.97
(not including paid-up capital)
Increase over 1920 of 24 per cent.

Interest earned on invested assets 7.2 per cent.

Payments to Policyholders in 1921, $500,571.43

all of which in spite of adverse conditions make

1921 — Our Record Year — 1921

One of the few companies which secured more new business in 1921 than in 1920

EXCELSIOR
INSURANCE LIFE COMPANY
HEAD OFFICE TORONTO, CANADA

M. E. Manning - City Manager
208 Excelsior Life Bldg., Toronto

"BELDING" PROFITS ALLOWED 11 P. C. ON PREFERRED STOCK

Stood at $212,000 Compared With $262,000 In Previous Year

$35,000 FOR COMMON

This is Now Factor With Arrears Met in Preferred—No Inventory Losses for 1922

From Our Own Correspondent

MONTREAL—The first indication of the trend of the operations of 1921 among textile companies is furnished by the annual report of Belding—Corticelli for the year ended November 30. While this company deals in silk lines mainly as compared with with cotton and woollen goods of the majority familiar to investors yet its position in the main is much similar. This is pointed out by the president, A. C. Dawson, when he states that in the early part of the year raw silk and other materials used by the mills "took a further serious drop necessitating a writing down of inventories to meet the situation. For the last six months however, the market had shown an advancing tendency, and taking the year's operations as a whole the directors were able to present a statement that they considered satisfactory under the circumstances.

In brief this statement showed profits of $212,943 compared with $262,153 the previous year and a balance available for preferred dividends of $96,416 as against $116,285 a year ago, allowing for 11.1 per cent. payable on preferred compared with 14 per cent. in 1920, or $35,845 for common dividends, as compared with $25,429 the year before. This works out at a little better than 4 per cent. on the common for 1921. The payments in 1920 took in arrears on the preferred as well as the regular dividends which accounts for the extra amount paid in dividends.

The reduction in profits amounting to less than 20 per cent., however, was partly due to losses in inventories. These have been reduced from $1,504,215 to $985,010. It is satisfactory to note that the company has completed the alterations and extensions to the plants that have been undertaken previously, the amount of $173,071 having been expended during the year of this account. The value of the property is now set down at $1,400,237.

Looking towards the present year the president declares that the outlook is hopeful. He adds that inventories are in an excellent condition, and that there is a steady demand for the products of the mills.

No Losses in Inventories Expected

One of the most favorable factors, it is learned, for the new year is the probability that there will be no losses in inventories, such as were expected last year. Indeed in the past few weeks there have been two advances in silks and this year seems likely to result in a profit of inventories over the amount at which they were taken in the present statement. Among the most active demands for the company's products relates to the knitted yarns that are sold for making sweater coats. This is a comparatively recent development in the company business. Buying is still mainly from hand-to-mouth as in most businesses and this is looked to continue for the greater part of the year 1922.

The profit and loss accounts for the past three years compare as follows:

Profit and Loss Account

	1921	1920	1919
Profits	$219,943	$262,152	$429,260
Less sink. fund	14,790	14,790	14,790
Less depre'tion	58,506	32,846	39,755
Less deben. int.	36,980	36,980	36,996
Less dis. on deb.	6,250	6,250	6,250
Less extra inv. depreciation ..	....	50,000	....
Net profits .. (for year)	96,415	121,285	331,466
Less pref. div.	60,571	90,856	121,142
Less acc, ins. res.	....	5,000	5,000
Less replac. res.	....	....	75,000
Surplus for yr.	35,844	25,229	130,325
Surplus for. .	363,565	338,136	207,811
P. & L. Bal. .	$399,409	$363.565	$338,136

The balance sheet of the company showed a reduction in both current assets and current liabilities, the net working capital amounting to $635,071 compared with $736,578 in 1920. The items are as follows:

Working Capital Account

	1921	1920
Current Assets—		
Cash	$ 21,073	$ 40.966
Acc. & bills rec. ..	605,687	728,817
Inventories	985.009	1,504.215
Bonds acq. at cost .	41,630	66,010
	1,653,401	2,336,009
Current Liabilities—		
Loans	$ 490.000	$ 510,000
Acc. & bills pay. ..	464.932	1,023.138
Accr. wages, etc. ..	48,255	51,150
Dividends	15,142	15,142
	1,018.330	1.599.431
Bal. work. cap. ..	635,071	736,578

RECORD YEAR FOR THE LONDON LIFE

Surplus Earnings Greater Than in Any Previous Year

A year of marked expansion in every department was experienced by the London Life Insurance Co. during 1921, notwithstanding the generally disturbed conditions. Not only did the volume of new insurance closely correspond with that of the previous record year, but the gain in insurance in force and the surplus earnings were greater than in any previous year of the company's history.

New insurance issued reached a total of $31,219,127, as compared with $31,826,696 for the previous record year. The insurance in force which stood at the close of 1920 at $96,600,075 has been increased to $111,113,518. The company's assets are valued at $15,920,518. These according to the report are non-speculative and are practically $3,000,000 in excess of the total for the previous year. An advance in the interest yield is noted from 6.61 to 6.59 per cent. The surplus amounts to $1,952,613, and represents a gain of $500,000, the largest in the company's history.

The company enjoyed an exceptionally favorable mortality experience, with losses averaging only 35.2 per cent. of the expected. According to the report issued by the company "the total earnings fully justified the continuance of the high allotments to policyholders. These dividends now amount in many cases to 200 per cent. of the estimates originally made."

RAILROAD EARNINGS

For the third week of January gross earnings of the Canadian Pacific Railway amounted to $2,614,000 as compared with $3,196,000 for the corresponding period in 1921, a decrease of $582,000 or 18.2 per cent.

The Canadian National reports earnings for the second week of January amounting to $1,585,013, a decrease of $583,956 or 26.9 per cent.

Earnings of the Grand Trunk for the second week totalled $1,666.694, a decrease of $421,997 or 20.2 per cent.

A FURTHER GAIN IN DEPOSITS OF HURON AND ERIE

A Year of General Progress Experienced by This Company

PROFITS ARE HIGHER

Large Increase in Investments in Mortgages—Sterling Debentures Decline—Exchange Unfavorable

A substantial increase in deposits at the close of a year during which there was a general tendency on the part of the public to diminish rather than increase their holdings with loan companies is a unique feature of the annual report of the Huron & Erie Mortgage Corporation. This company has a large deposit account which now stands at $5,900,163 as compared with $5,543,487 at the close of 1920.

The past year was a period of general prosperity for this company, with increased profits, and strengthening of reserves. **Profits** for the year after all expenses of management and other charges, and making allowance for actual and probable losses, stood at $561,123 compared with $549,600. The net profits after taxes amount to $531,444 against $505,943. Dividends were maintained during the year at the rate of 6 per cent. with a quarterly bonus of ¼ per cent. making a total distribution of $350,000. The balance after all disbursements stood at $53,761 compared with $22,317 and $16,374 for the preceding years. Following are comparative figures for the past three years:

	1921	1920	1919
Profits	$561,123	$549,600	$535,611
Taxes..	29,679	43,657	38,874
Net profits..	$531,444	$505,943	$496,737
Bal forward.	22,317	16,374	23,337
	$553,761	$522,317	$520,074
Dividends. .	350,000	350,000	300,000
Patriotic			3,700
Reserve	150,000	150,000	200,000
Balance . . .	53,761	22,317	16,374
	$553,761	$522,317	$520,074

Large Increase in Mortgages

Assets show a relatively small increase from $22,647,815 to $22,712,516 Mortgages held, with interest due and accrued total, total $15,744,081 as compared with $15,073,875. Other investments include bonds of Great Britain, the Dominion of Canada and Canadian provinces to the amount of $2,046,583, and Canadian municipal debentures, $1,664,548. A decline of more than $1,000,000 is noted in the value of sterling debentures outstanding, from a total of $2,962,709 in 1920 to $1,878,363 at the close of 1921. Canadian debentures have increased from $7,721,586 to $8,334,894. The reserve fund now stands at $1,300,000. Earnings on capital were at the rate of 10.6 per cent. for the year as compared with 10.1 for 1920, and 9.9 for 1919. Outstanding features in the earnings' record for the past seven years are as follows:

	Paid-up Capital	Net Profits	Div	% on avr. Cap	Earn Rate
1921 ..	$5,000,000	$531,444	6+1	10.6	8.4
1920 ..	5,000,000	505,943	6+1	10.1	8.2
1919 ..	5,000,000	496,737	6	9.9	8.2
1918 ..	2,500,000	452,493	12	18.0	8.0
1917 ..	2,500,000	430,577	12	17.2	7.8
1916 ..	2,500,000	422,012	12	16.9	7.8
1915 ..	2,458,415	411,493	12	16.9	7.9

ONTARIO STEEL PRODUCTS

Common Dividends are Cut—Now on 4% Basis

A 50 per cent. cut in dividends on Ontario Steel Products for the quarter ending February 15, was announced this week. The rate was established at 8 per cent. per annum in June of last year, but the quarterly disbursement is now placed at 1 per cent. This action had been fully discounted by the market, and the stock settled only a point or two on the publication of the news.

DULUTH-SUPERIOR

Passenger earnings of the Duluth-Superior Traction for the second week of January amounting to $33,494 showed a decrease of $1,863 or 5.3 per cent., as compared with the figures for the corresponding period in 1921.

For the first two weeks of January the earnings at $67,301 showed a decrease of $2,656 or 3.8 per cent.

STOCK MOVEMENTS OF THE WEEK

Week Ending January 26

BANKS—	Div. Rate.	Ask.	Bid.	High.	Low.	Close.	Sales
Commerce	12+1	183	182	184	182	183½	137
Dominion	12+1	194	...	194	194	194	1
Hamilton	12	169½	...	170	168	170	72
Hochelaga	10	148	147	148	147	148	4
Imperial	12	168	167½	171	167	167	80
Molsons	12	169	...	167	166	166	105
Montreal	12+2	...	216	217¾	217	217½	261
Nationale	12	134	...	134	134	134	27
Royal	12+2	...	200	201	200	200	331
Standard	14	201	...	201	198½	201	28
Toronto	12	185	...	185½	185	185	83
Union	10	142	140	140	139⅝	140	76
INDUSTRIALS. UTILITIES, ETC.							
Abitibi Pulp com.	..	30¼	29½	31	30	30	1386
Ames Hoden pref.	..	24½	23½	25	25	25	5
Amer. Salesbook com.	..	12	12	10	10	10	65
Do pref.	7	—	79¾	81	81	81	8
Asbestos Corporation com.	6	50	49	49½	48¼	49½	150
Do., pref.	7	77	76	76½	76	76½	91
Atlantic Sugar com.	..	26	25½	26¼	24½	26¼	2566
Barcelona Traction	..	4½	4	4½	3¾	4½	175
Bell Telephone	8	...	106½	108	109	108	342
Brazilian Traction	..	30½	30¼	32	30¼	30⅝	6181
B. C. Fishing	..	25	23	25	24	24½	108
Brit. Emp. Steel, com.	..	...	10	10	9	10	674
Do 1st pref.	7	..	63	63	62	62	24
Do 2nd pref.	..	...	25	25⅞	23½	25	614
Brompton Pup	..	19	18⅞	19¾	18	18¾	1599
Burt, F. N. com	10	112	111¼	111	107½	111	245
Do pref.	7	...	111¼	110	109½	110	91
Canada Bread com.	..	26½	26	26½	26	26	288
Can. Car & Foundry com.	..	...	19	19	18½	19	40
Canada Cement com.	6	55	54	54¼	54	54	329
Do pref.	..	...	89	91	90	90	251
Canada Steamships com.	..	14	13	15	13	13	145
Do pref.	7	41	40½	44½	40⅛	40¾	2909
Can. Converters	7	...	70¼	71	70¼	70¼	79
Can. Cottons com.	8	...	80	80	80	80	165
Do pref.	6	80	77½	80	80	80	11
C. G. Electric com.	8	95¼	94¾	96	95	95	507
Do pref	7	102½	101½	102½	102¼	102¼	10
Can. Locomotive com.	8	80	...	80	80	80	2
Do pref	7	...	81	81½	81½	81½	25
Can. Pacific Railway	10	131½	131	134½	130¾	131	484
Can. Fairbanks pref.	6	...	...	66¾	66¾	66¾	47
City Dairy com.	7+3	95	90	90	90	90	20
Do pref.	7	93	90	90	90	90	41
Consumers Gas	10	75	...	75½	74¾	74¾	189
Crows Ness Pass Coal	6	50	...	50	50	50	38
Detroit Railway	10	70	69	71	67	71	1077
Dominion Bridge	8	59	58⅝	59	55	58½	1486
Dom. Canners, com.	..	28	26	27½	26	27½	185
Dom. Canners pref	7	76	75	76½	76½	76½	4
Dom. Glass com.	6	56	55	55	55	55	35
Do pref.	7	90	89	89	88½	88½	47
Dom. Textile com.	12	138	136	138½	136	136	37
Dominion Iron pref.	7	65	62	64½	63	63	95
Dom. Steel Corp. com.	..	27¾	27	28	26	27½	2285
Do pref.	6	...	69	70	66½	70	205
Duluth Superior	..	20	17	17	17	17	2
Ford Motor Car	15	285	275	285	285	285	5
Illinois Traction com.	..	28	...	28	28	28	30
Do pref.	6	81	79	79	79	79	15
Lake of Woods com.	12	...	140	140	140	140	5
Laurentide Paper	6	74	73⅞	75	73	74	1175
Lyall Construction	4	35	34¾	38½	35	35	695
Macdonald A.	..	12	11	12	11½	11½	270
Mackay com.	6	81¾	81¼	82	79½	81½	2018
Do pref.	4	68	66½	66¼	63	66¼	90
Maple Leaf Milling com.	12	125	120	120	120	120	10
Do pref.	7	99	97	99	97	98½	161
Montreal Cottons com.	6	...	82⅝	82½	82½	82½	30
Mont. L. H. & P. Cons	5	88½	88¼	89	88⅜	88½	1952
Montreal Tramways	10	147	146½	146½	146	146½	137
National Breweries com.	4	56	55¾	56¼	55½	56	1282
Ont. Steel Products com.	8	...	35	35¾	34	34	105
Ottawa L. H. & Power	6	79	78½	80	78	80	409
Pacific Burt, pref.	7	80	77	80	79¾	80	13
Penmans com.	8	105	98	100	100	100	1
Price Bros	2	34	33	33½	33½	33½	200
Provincial Paper pref.	7	90	85	90	90	90	25
Quebec Railway	..	22	21¾	23½	22	22½	901
Riordon Pulp com.	..	5	4	5	4	4	140
Russell Moto rpref.	7	55	49	55	49¼	49¼	35
Shawinigan	7	105¼	105	106	105	105	824
Spanish River Pulp com.	7	...	53	54	53	53	390
Do pref.	7	69	...	69½	67¾	69½	1309
Steel of Canada com	7	57	56½	58½	56	67	1256
Do. pref.	7	94	93	94¼	94	94	126
St. Law. Flour com.	6	66	...	67	67	67	35
Toronto Railway	...	71¼	70¾	73½	67½	70¾	4769
Tuckett Tobacco com.	4	36	34	37	35	35	23
Twin City com.	..	43	42	42½	39	42	311
Wabasso Cotton	4	56½	...	56	56	56	40
Wayagamack	..	39	38	39	38	39	65
Western Canada Flour	8	...	115	115	115	115	4
Winnipeg Electric	..	35	34	34½	33	34¼	800
Woods Mfg Co pref	7	...	68¾	69	67	69	121
Can. Permanent	12	18	17½	18	17½	17½	414
Landed Banking	8	140	135	135	135	135	10
National Trust	12	...	190	190½	190½	190½	25

MILLER & COMPANY

Members New York Stock Exchange
120 Broadway, New York

Canadian Government, Municipal & Corporation Securities

Canadian Branch Office,
Royal Bank Bldg., Toronto
Telephone Adel. 381-2-3.

Private wire connections to all principal centres in Canada and United States

The Continental Life's Most Successful Year

The Report of the Business of the Continental Life Insurance Company for 1921 is most gratifying and exhibits the following noteworthy features:

Increase in Assets	$ 335,068.76	11.08%
Increase in Reserves.....	270,036.00	10.13%
Increase in Income......	65,484.69	8.95%
Increase in Surplus......	60,376.93	22.77%
Increase in Insurances...	1,062,805.00	6.05%
Increase in Rate of Interest Earned....		.53%
Decrease in Expenses....	4,024.72	1.71%
Decrease in Expense Ratio..........		2.51%
Ratio of actual death claims to expected claims....................		39.58%

ASSETS on Dec. 31st, 1921.......$3,357,784.67
RESERVES on Dec. 31st, 1921.... 2,936,244.00

Important Announcement of Amalgamation

For reasons which are briefly outlined below, it has been decided to amalgamate

FARMERS' MAGAZINE Canada's National Farm Magazine with **MACLEAN'S** "CANADA'S NATIONAL MAGAZINE"

and the last issue of FARMERS' MAGAZINE will be under date of February the 2nd.

All subscribers to FARMERS' MAGAZINE who are not in arrears will receive copies of MACLEAN'S starting with the issue of February 15th and continuing until the completion of their subscription term.

We have a good class of farmers as subscribers to FARMERS' MAGAZINE—a class who are in a position to buy automobiles, pianos, phonographs, and all other articles or conveniences that make for comfort and a higher standard of living.

The automobile has made it convenient for farmers to drive ten, fifteen or twenty miles into the best shopping centres where they buy first-class merchandise, attend public meetings and in other ways keep themselves abreast of the times just as do the best of the town and city people.

The progress and developments which have taken place in the standards of farm life are making farmers to-day consumers of the best grades of merchandise and at the same time permitting them to take the keenest interest in politics and all public and economic questions.

This means that the time has come when they are asking for and will appreciate a good magazine such as MACLEAN'S, furnishing as it does good fiction, political articles and national news of a character not found in farm papers or newspapers.

95,000 Gross Circulation for MACLEAN'S

Rate based on 70,000 A. B. C. Guarantee

The addition of FARMERS' MAGAZINE subscription list to MACLEAN'S circulation, after all arrears and duplications are eliminated, will give MACLEAN'S MAGAZINE at once a total circulation of more than Ninety-Five Thousand copies each issue.

FOR ADVERTISERS

This gives a big general covering of town and city circulation, plus a highly selected farm circulation, and constitutes a service which is not equaled or even approximated by any other general publication in Canada.

FOR DEALERS

It provides the tremendous influence of the "leadership" families in every city, town and village right across the Dominion together with the most prosperous and progressive farmers in each trading territory.

The Line Rate for Advertising space in MACLEAN'S remains at 70 cents

First and Fifteenth of Every Month

MACLEAN'S
"CANADA'S NATIONAL MAGAZINE"

Most Talked of Publication In Canada

The MacLean Publishing Company, Limited, 143 University Avenue, Toronto, Ont.

INTEREST MET ON ONE OUT OF THREE OF RIORDONS

First Mortgage Bondholders On Old Company Have Been Paid

MAY REORGANIZE

But This Matter In The Future Bulk of General Mortgage Bonds Surrendered

From Our Own Correspondent

MONTREAL.—An official report that has just been issued in regard to the Riordon Company makes it clear that only the bond interest on the first mortgage bonds of some $1,800,000, due on December 31 last has been met. The interest on the two other bond issues has been passed, and there would appear to be no likelihood of this being met within the 90 days of grace. This includes the 8 per cent. mortgage bonds of the Riordon Company and the general mortgage bonds of the Riordon Paper & Pulp Company, the latter of which called for interest being paid on January 1. In the case of both these latter issues protective committees of the bond holders have been formed and a substantial working majority of these bonds has been deposited under the control of these committees. Partly owing to the small amount outstanding of the first mortgage bonds of the Riordon Pulp & Paper Company and also because of the excellent security that lies behind this issue in the Merritton and Hawkesbury mills and timber limits, it was not thought necessary to appoint a protective committee. Plans may be developed later for the formation of a committee of shareholders to work in co-operation with the committee of bond holders and creditors.

It seems probable that within the next few months some plan will be brought forward looking towards a basis on which it is expected the company will be able to continue in operation permanently. No definite suggestion is yet heard as to what form this will take, that is whether there will be a reduction in the number of shares of preferred and common stock; whether preferred stock will be changed in part in common; whether second mortgage bonds will revert to preferred stock, all of which plans have been suggested from time to time. Meanwhile with the Kipawa and Hawkesbury mills operating in the production of bleached sulphite pulp the bank loans are being steadily reduced and it is understood the total has been cut down very considerably in the last few months.

A statement issued by the protective committee handling the general mortgage bonds explains the situation thus:

"On December 31st, the holders of approximately two-thirds of the outstanding 6 per cent. general mortgage bonds had deposited and on that date the committee provided the funds for the payment of the interest then due on the underlying first-mortgage debentures of the Riordon Pulp & Paper Co., Ltd. Since Dec. 31st, 1921, additional general mortgage bonds have been deposited, making the total to close of business, Jan. 14th, 1922, $2,971,000 principal amount, out of a little less than $4,000,000 outstanding. The time allowed for depositing bonds has been again extended to Jan. 31st, 1922, and thereafter until further notice from the committee to the depositary."

LOEW'S THEATRES CONSERVE ASSETS

London and Hamilton Theatres Pass Dividends on Preferred

Dividends have been passed for the current quarter on the preferred stock of two of the Loew's theatres—Loew's London and Loew's Hamilton Theatre, Ltd. A director stated that this action was taken for the purpose of conserving assets until it could be determined how earnings would shape up during the year.

It is learned that liabilities of the London theatre have been greatly reduced and will soon be paid off. This theatre is said to be showing fair earnings. The earnings of the Hamilton theatre are affected by the industrial depression in that city and it is probable that no pronounced increase can be expected until business improves. The directors are hopeful, however, that the suspension of dividends will be of a very temporary character only.

TRETHEWAY MINE

By-law Authorizing Sale is Approved By Shareholders

Shareholders of the Tretheway Silver Cobalt Mine, Ltd., have approved a by-law authorizing formation of a new company and the sale of all the shares of capital stock of the Castle Mining Co., held by Tretheway. The new company, which is to be known as the Castle-Tretheway Mines, Ltd., will assume all the liabilities of the Tretheway Co. including any contingent liability of the latter mine in respect of the acquisition by it of the shares of the Castle Mining Co. In consideration of this sale the new company will allot 400,000 shares of its capital stock to the Tretheway. It will also offer for subscription to the shareholders of the vendor company the right to subscribe pro rata for 1,600,000 shares of the new company at the price of ten cents a share.

Forests fire losses in the Province of Quebec in the course of the year 1921 have been without precedent, with a destroyed area of 1,000 square miles, valued at $10,000,000.

8% for
20 years

We own and offer an exceptionally well secured twenty-year First Mortgage Sinking Fund Gold Bond.

Coupon Bonds of $1,000, $500, $100 denominations. Interest half-yearly.

A charge against the assets of one of the soundest industrials in Canada.

Particulars on request.

Rogers Securities
CORPORATION, LIMITED
Investment Bankers
35-37 King St. W., Toronto

Automobiles
ROLLS-ROYCE
(English Built)

Sales Representatives for
Toronto District

G. E. Gooderham & Co.
97-105 Richmond Street West
Toronto Ad. 6780

BANK OF NOVA SCOTIA ADDED TO ITS RESERVE

Another Million Makes it Nearly Double the Capital

POSITION STRONGER

Larger Proposition of Immediately Available Reserves—Profits Lower But Still Greater Than for 1919

The addition of $1,000,000 to reserve, making a total of $19,000,000 as compared with $9,700,000 of capital, is an outstanding feature of the annual report of the directors of the Bank of Nova Scotia, which explains the high regard in which the institutions is held by investors as indicated by the stock quotations. The net profits of $2,111,733 were less than for the previous year but substantially above those for 1919. Dividends were paid at the rate of 16 per cent. and a substantial sum written off in addition to allowances for pensions and taxation. The effect of the $1,000,000 added to reserve was to reduce the surplus from $982,595 to $65,328. Following are comparative figures of profit and loss:

Income Account

	1921.	1920.	1919.
Bal. forward	$ 982,595	$ 704,172	$ 749,694
Net profits	2,111,733	2,327,423	1,925,478
	$3,094,328	$3,031,595	$2,675,172
Dividends	$1,552,000	$1,552,000	$1,381,333
Reserves	1,000,000	....	200,000
Pension fund	80,000	100,000	100,000
Tax on cir.	97,000	97,000	89,667
Written off	300,000	300,000	200,000
Surplus	$ 65,328	$ 982,595	$ 704,172

Features of the bank's earnings record for the past seven years compare as follows:

Year	Profits	% on Cap.	Div.	% on Invest.
1921	$2,111,733	21.7	16	7.1
1920	2,327,423	23.9	16	8.1
1919	1,925,478	19.8	16	6.8
1918	1,411,925	21.7	14	7.4
1917	1,295,315	19.9	14	6.8
1916	1,252,038	19.2	14	6.8
1915	1,220,057	18.7	14	6.4

Position Strengthened

According to the analysis of THE FINANCIAL POST the bank improved its position as regards immediately available liquid assets although total assets were reduced by about $14,400,000. This was effected through increased holdings of government securities of $9,570,000 which counterbalanced a like amount reduced on holdings of public securities. Immediately available assets were also strengthened by an increase on $4,720,000 in gold reserves although some other items showed important reductions.

Current loans in Canada were reduced by only $1,400,000 although the decline in savings deposits was over $4,200,000. Current loans outside Canada were reduced by nearly $3,400,000 and call loans abroad by $4,800,000, while call loans in Canada increased by about $1,500,000. Demand deposits were lowered by about $4,000,000. circulation was cut more than $5,000,000. Following are comparative figures:

Immediately Available Liquid Assets.

	1921.	1920.	Change.
Specie	$11,528,449	$ 13,002,786	—$1,474,337
Dom. notes	20,934,292	21,126,075	— 191,783
Note cir dep	484,286	492,823	— 8,537
Notes. bk.	2,758,212	3,469,230	— 711,018
Call loans abroad	11,731,285	16,528,512	— 4,797,227
Bank bal.	....	350,000	— 350,000
Do. Abroad	4,125,101	6,872,264	— 2,747,163
Gov. secs.	22,914,222	13,343,227	+ 9,570,995
Cheques	9,089,111	10,190,090	— 1,100,979
Gold res.	6,500,000	12,750,000	— 6,250,000
*loans	19,905,380	15,183,999	+ 4,721,381
	$109,970,338	$113,309,006	—$3,338,668
% total assets	48.81	47.27	+ 1.54
% total liab. to public	56.06	53.79	+ 2.27

Other Assets

	1921.	1920.	Change.
Pub. secs.	$10,676,092	$ 20,232,222	—$9,556,130
Other sec.	4,131,566	3,419,407	+ 712,159
†Call loans	7,602,163	6,012,415	+ 1,489,748
Current	71,663,385	73,103,489	— 1,440,104
Elsewhere	10,547,582	13,942,283	— 3,394,701
Over. debts	117,899	107,296	+ 10,603
Lts. of cred	411,344	1,405,416	— 994,072
Real estate	74,141	133,908	— 59,767
Loans Gov.	3,066,660	2,445,219	+ 621,441
Premises	6,764,547	5,202,069	+ 1,562,478
Other assets	380,681	391,653	— 10,972
	$115,336,060	$126,395,377	—11,059,317
Tl. assets	$225,306,398	$239,704,383	—14,397,985

Liabilities to Public

	1921.	1920.	Change.
Circulation	$15,852,568	$ 21,004,638	—$5,152,070
Dom. dep.	35,397,384	39,264,930	— 3,967,546
Savings	141,242,408	145,480,915	— 4,238,507
Due banks	716,301	1,317,463	— 601,162
Due else.	1,449,936	1,747,863	— 297,927
Acceptances	411,343	1,405,416	— 994,073
Bills pay.	1,180,799	409,729	+ 771,070
	$196,150,739	$210,630,954	—14,480,215

To Shareholders

	1921.	1920.	Change.
Capital	$ 9,700,000	$ 9,700,000	—$........
Reserve	19,000,000	18,000,000	+ 1,000,000
Dividends	390,329	390,834	— 505
Balance	65,329	982,595	— 917,266
	$ 29,155,658	$ 29,073,429	+$ 82,229
Tot. liab	$225,306,398	$239,704,383	—14,397,985

*On grain and staple commodities.
†On bonds, debentures and stocks.

HUDSON'S BAY

The land sales of the Hudson's Bay Company for the quarter ended December 31, are announced as under:—Farm lands, 10,184 acres sold for £35,600, against 51,657 acres for £182,600 in the corresponding quarter; town lots sold for £1,750, against £3,300; total receipts on account of capital £87,310, against £170,300; and on account of interest £51,110, against £66,230. The totals for the nine months are:—Farm lands, 29,460 acres sold for £99,570, against 166,903 acres for £585,500; town lots sold for £15,980, against £13,700; total receipts on account of capital, £254,780, against £349,300; and on account of interest £130,100. against £123,880.

OLD CHUM
VIRGINIA FLAKE CUT
SMOKING TOBACCO
REGISTERED
TRADE MARK
MANUFACTURED BY
Ritchie & Co
IMPERIAL TOBACCO COMPANY OF CANADA LIMITED
MONTREAL

Canada's Favorite Pipe Tobacco
OLD CHUM
The Tobacco of Quality
In tins and packets

DOMINION BANK WELL MAINTAINED CURRENT LOANS

Proportion of Total Assets So Placed Was Increased

PROFITS DECLINED

Effect of Depression Noted on Earnings—Position as Regards Liquid Assets Was Strengthened

Although there was a reduction in current loans of $2,500,000 during the year, the total for such loans of $63,710,000 as shown in the annual statement, is a slightly larger ratio of the total assets than was the case in the previous year; the reduction of total assets was slightly under $8,000,000 which was very largely counterbalanced by a falling of more than $4,000,000 in saving deposits, $2,000,000 in demand deposits and a decline of over $800,000 in circulation. The manner in which current loans was maintained indicated that the bank very well looked after its commercial and agricultural clients, particularly in the grain trade. Call loans in Canada were cut by $1,000,000 and call loans abroad by $1,300,000 while current loans elsewhere than in Canada showed very little change. Loans on government securities were increased by over $8,250,000 and those on public securities were reduced by more than $7,750,000. Following are comparative figures:

Immediately Available Liquid Assets

	1921.	1920.	Change.
Specie	$ 2,117,000	$ 2,092,477	+$ 24,523
Dom. notes	15,715,807	18,052,783	— 2,336,976
Note cir. dep.	309,575	309,575	....
Notes. bk.	1,100,881	1,104,306	— 3,425
Call loans abroad	3,835,123	5,139,899	— 1,304,776
Bank bal.	1,000	1,005	— 5
Do. abroad	2,397,668	1,881,012	+ 516,656
Gov. secs.	13,371,202	5,106,158	+ 8,265,044
Cheques	7,389,394	7,530,034	— 140,640
Gold res.	1,700,000	4,000,000	— 2,300,000
	$47,937,650	$ 45,217,249	+$2,720,401
% total assets	36.50	32.48	+ 4.02
% total liab. to public	40.86	36.08	+ 4.78

Other Assets

	1921.	1920.	Change.
Pub. secs.	$ 4,168,630	$ 9,956,981	—$5,788,351
Other sec.	1,751,108	1,810,680	— 59,572
Call loans	6,561,854	7,646,420	— 1,084,566
Current	63,710,574	66,216,946	— 2,506,372
Elsewhere	554,543	523,396	+ 31,147
Over. debts	144,359	80,914	63,445
Lets of cred.	354,740	1,823,472	— 1,468,782
Real estate	5,430	5,409	+ 21
Mortgages	17,228	19,327	— 2,099
Premises	5,830,229	5,631,454	+ 198,775
Other assets	299,597	330,845	— 31,248
	$83,398,292	$ 94,045,844	—10,647,552
Tl. assets	$131,335,942	$139,263,093	—$7,927,151

Liabilities to Public

	1921.	1920.	Change.
Circulation	$7,326,571	$ 9,159,886	—$1,833,315
Dom. dep.	18,018,016	20,051,817	— 2,033,801
Savings	80,786,284	84,889,440	— 4,103,156
Due banks	869,285	806,717	+ 62,568
Due else.	833,679	914,117	— 80,438
Acceptances	354,741	1,823,472	— 1,468,731
Bills pay.	267,960	67,104	+ 200,856
Due Dom. Govt.	8,552,610	7,000,000	+ 1,552,610
Other liab.	371,060	640,401	— 269,341
	$117,380,206	$125,352,954	—$7,972,748

To Shareholders

	1921.	1920.	Change.
Capital	$ 6,000,000	$ 6,000,000	....
Reserve	7,000,000	7,000,000	....
Dividends	240,255	240,921	— 666
Balance	715,481	669,218	+ 36,263
	$13,955,736	$ 13,910,139	+$ 45,597
Tot. liab.	$131,335,942	$139,263,093	—$7,927,151

The depression in the business situation naturally had its effect upon profits which at $1,125,181 compared with $1,347,011 in 1920 and $1,256,053 in 1919. The net, after deducting taxes, stood at $1,685,480 compared with $1,684,218 and $1,616,207 for the two previous years respectively. Pensions took $40,000 and $150,000 was written off premises, the balance being carried forward. Following are comparative figures:

	1921.	1920.	1919.
Profits	$1,125,181	$1,347,011	$1,256,053
Prov. taxes	....	38,500	26,350
Gov. tax	*108,919	120,000	60,000
Net	$1,016,262	$1,188,511	$1,169,703
Bal. forward	669,218	495,707	446,504
	$1,685,480	$1,684,218	$1,616,207
Dividends	780,000	780,000	780,000
Patriotic	....	....	10,500
Pension	40,000	35,000	30,000
Premises	150,000	200,000	300,000
Balance	715,480	669,218	495,707
	$1,685,480	$1,684,218	$1,616,207

Features of the bank's earnings record for the past seven years are summarized as follows:

	Net		% on	% on
1921	$1,016,262	12+1	16.9	7.4
Year	Profits	Div.	Cap.	Invest.
1920	1,188,511	12+1	19.8	8.7
1919	1,169,703	12+1	19.4	8.7
1918	1,086,498	12	18.1	8.1
1917	1,005,062	12	16.7	7.5
1916	893,502	12	14.8	6.7
1915	805,123	12	13.4	6.0

MUTUAL FINANCE REPORTS PROGRESS

Dividends to Shareholders Amounted to $42,256 for the Year

A year of progress was reported by the president and directors of the Mutual Finance Corporation, at the annual meeting held in Windsor a few days ago. H. A. McEwen, general manager of the corporation, stated that at the end of 1920 the company's surplus and deferred profits amounted to $85,297. This amount had increased at the end of 1921 to the sum of $142,374. In addition during 1920 the company wrote off from the underwriting and organization expenses $11,253—during 1921 this was increased to $18,728.

President A. F. Healy stated that the company had paid out to stockholders during the year a total of $42,256. The company was organized during 1920, and at the end of the first year had paid to shareholders a total of $13,475, and the distribution for the past year was approximately $30,000 in excess. It was also reported that in no instance was there a loss suffered in the purchase of any land contract or mortgage during the year.

The Canadian Bank of Commerce announce the opening of a branch at the corner of Lansdowne and Wallace avenues on the 16th instant.

NINETIETH ANNUAL REPORT

The Bank of Nova Scotia

Capital Paid-Up, $9,700,000 Reserve Fund, $19,000,000

PROFIT AND LOSS

Balance Dec. 31st, 1920	$ 982,595 32
Net profits for year, losses by bad debts estimated and provided for	2,111,733 48
	$3,094,328 80
Dividends for year at 16%	$1,552,000 00
War Tax on circulation to December 31st, 1921	97,000 00
Contribution to Officers' Pension Fund	80,000 00
Written off Bank Premises Account	300,000 00
Transferred to Reserve Fund	1,000,000 00
Balance carried forward December 31st, 1921	65,328 80
	$3,094,328 80

RESERVE FUND

Balance December 31st, 1920	$18,000,000 00
Transferred from Profit and Loss	1,000,000 00
Balance forward December 31st, 1921	$19,000,000 00

GENERAL STATEMENT AS AT DECEMBER 31st, 1921

LIABILITIES

Capital Stock paid in		$ 9,700,000 00	
Reserve Fund		19,000,000 00	
Balance of Profits, as per Profit and Loss Account		65,328 80	
Dividends declared and unpaid		390,329 67	
			$29,155,658 47
Notes of the Bank in circulation		15,852,567 96	
Deposits not bearing interest	$35,297,383 83		
Deposits bearing interest, including interest accrued to date	141,242,408 59	176,539,792 42	
		192,392,360 38	
Balances due to other Banks in Canada		716,300 93	
Balances due to Banks and Banking Correspondents in the United Kingdom		107,472 30	
Balances due to Banks and Banking Correspondents elsewhere than in Canada and the United Kingdom		1,342,463 51	
Bills Payable		1,180,799 34	
			195,739,396 46
Acceptances under Letters of Credit			411,343 69
			$225,306,398 62

ASSETS

Current Coin	$11,528,449 61
Dominion Notes	20,934,292 50
Notes of other Banks	2,758,211 55
Cheques on other Banks	9,089,111 05
Balances due by Banks and Banking Correspondents in the United Kingdom,	1,086,933 35
Balances due by Banks and Banking Correspondents elsewhere than in Canada and the United Kingdom	3,038,167 93
	48,435,165 99
Deposit in the Central Gold Reserves	6,500,000 00
Dominion and Provincial Government securities, not exceeding market value	22,914,222 24
Canadian municipal securities and British, Foreign and Colonial public securities other than Canadian, not exceeding market value	10,676,092 05
Railway and other bonds, debentures and stocks, not exceeding market value	4,131,565 70
Demand loans in Canada secured by grain and other staple commodities	19,905,379 53
Call and demand loans elsewhere than in Canada	11,731,284 17
	124,293,709 68
Call and demand loans in Canada secured by bonds, debentures and stocks	7,502,162 81
	131,795,872 49
Deposit with the Minister of Finance for the purposes of the circulation fund	484,286 31
Loans to governments and municipalities	3,066,660 15
Other current loans and discounts in Canada (less rebate of interest)	71,663,385 15
Other current loans and discounts elsewhere than in Canada (less rebate of interest)	10,547,582 31
Liabilities of customers under Letters of Credit, as per contra	411,343 69
Overdue debts, estimated loss provided for	117,899 91
Bank Premises at not more than cost, less amounts written off	6,764,547 04
Real Estate other than Bank Premises	74,140 84
Other assets not included in the foregoing	380,680 73
	$225,306,398 62

CHARLES ARCHIBALD, President. H. A. RICHARDSON, General Manager

AUDITORS' CERTIFICATE

We have examined the books and accounts of The Bank of Nova Scotia at its Chief Office and have been furnished with certified returns from the Branches, and we find that the above statement of Liabilities and Assets as at December 31st, 1921, is in accordance therewith. The Bank's investments and the securities and cash on hand at the Chief Office and at several of the principal Branches of the Bank were verified by us as at the close of business December 31st, 1921. In addition we visited the Chief Office and certain Branches during the year, when we checked the cash and verified the securities and found them to be in agreement with the books. We have obtained all information and explanations required, and all transactions of the Bank which have come under our notice have, in our opinion, been within the powers of the Bank. And we certify that the above statement of Liabilities and Assets as at December 31st, 1921, is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given to us, and as shown by the books of the Bank.

A. B. BRODIE, C.A.
D. McK. McCLELLAND, F.C.A. } Auditors.
of the firm of Price, Waterhouse & Co.

Toronto, Canada, 16th January, 1922.

MONTREAL POWER SHOWS INCREASE IN NET EARNINGS

Larger Number of Light Customers Made Up For Loss in Power

EARNED 6½ PER CENT

Good Margin Over Dividend Requirements—Generous Depreciation—Increasing Units

From Our Own Correspondent

MONTREAL.—In the face of a number of statements of industrial concerns for the year 1921 that show decreased earnings as a result both of losses in inventories and a decline in production, the reports of power companies have been uniformly favorable. In close alliance with these are street railway companies and as a rule public utilities. These companies which generally showed a lessened earning power during the period of inflated prices are now coming into their own. Increases in the prices charged the public whether it was for power or light, electric or gas, or street car fares, freight rates, passenger rates or telephone charges, as a rule were granted late in the day after many of the companies failed to meet costs of operation or production with existing rates. The increased rates with very few exceptions, have been continued in effect last year and will be this year. While on the other hand cost of production or operation, including wages and raw materials have steadily declined. The result has been that public utility companies have shown a reversal in most cases of the records of ordinary industrial corporations.

The annual statement of Montreal Light, Heat and Power Consolidated for the past year will stand out as one of the most satisfactory of the public utility statements that has been received for some time. It is known that while the sale of power showed a decline for 1921 over the previous year the company was favored in an increase of lighting customers and the revenue from these, with higher rates for renewed power contracts resulted in a considerable increase in net earnings for the past year, exceeding $800,000. The company thus earned 6.53 per cent. on its capital stock as compared with 5.9 per cent. in 1920. Those who are accustomed to expect earnings to represent double or more than double the dividend requirements should note that power companies can well afford to run very close to their actual dividend calls as a slight increase in the demand for power can be covered with very little increase in overhead expenses. It seems probable therefore that as in the past the dividend payments of this company as of the majority of power concerns are likely to follow close on the heels of actual earnings.

Gas Department Still Losing

In his statement to the shareholders, Sir Herbert Holt, the president, declares that the company shows some measure of recovery from the period of restricted rates and unrestricted costs under which it had been operating during and since the war. The recovery is gratifying he says so far as it goes, "but we continue to suffer in the gas department where revenues are still insufficient adequately to meet expenses. It is expected that with an average for coal costing much less this year than last the company will be able to reach a point during the new year where it will break even in its gas department." Meanwhile the company "enjoys an unrivalled position for minimum rates in respect of both gas and electricity throughout the Continent of America."

During the year the company allowed $1,328,996 for depreciation and an additional amount of $873,437 to take care of plants of the various subsidiary companies. In addition an extension of the Cedar Rapids power plant was nearly completed by which two new units of 15,000 h. p. each are being installed which will increase the capacity of that plant to 160,000 h.p., leaving provisions for four more units of 15,000 h.p. each or a total of 60,000 h.p. to be installed there very readily when required. During the year there was expended on maintenance account $697,886 which with the appropriation for depreciation and renewal reserves represents a total expenditure and provision in this connection of $2,026,882.

The profit and loss accounts compare as follows:

Profit and Loss Account

	1921	1920
Gross	$13,289,964	$12,748,409
Expenses	6,549,933	6,810,286
Net income	6,740,031	5,938,123
Depreciation	1,328,996	1,055,166
Net revenue	5,411,034	4,882,965
Fixed charges	1,188,292	1,078,449
Surplus	995,053	583,768
Dividends	3,227,688	3,220,739
Net income	4,222,741	3,804,507
Pens. fund	20,000	20,000
Surplus	$ 975,053	$ 563,786

The working capital shows a slight decrease, but still exceeds $6,000,000, as follows:

	1921	1920
Bills rec.	$ 186,196	$ 228,542
Acc. rec	1,142,687	1,532,926
Coal, etc.	1,290,079	924,582
Stores	315,286	323,622
Cash	2,338,507	2,222,324
Investments	4,273,838	4,642,632
	$9,546,596	$9,874,631
Current Liabilities		
Acc. payable	1,691,927	1,518,634
Deposits	342,181	275,542
Acc. Int.	44,130	45,292
Susp. Acc.	692,214	673.388
Accr. div.	537,948	537,295
	$3,308,402	$3,050,153
Bal. Work. Cap.	$6,238,194	$6,824,478

The report further notes action in relation to bonds as follows:

> There was redeemed during the war $544,666.67 of mortgage debt, as constituted by $486,666.67 of matured bonds of Montreal Gas Company, $34,000 of the Montreal Light, Heat and Power Company's Lachine Division Sinking Fund bonds, and $24,000 of Provincial Light, Heat and Power Company's sinking fund bonds.
>
> "There were issued from escrow $487,000 of Montreal Light, Heat and Power Company's Collateral Trust 4 1-2 per cent. mortgage bonds due 1932 against retirement of the Montreal Gas Company's bonds as mentioned. These escrow bonds were added to those in our investment securities account, and are available for sale when required."

OTTAWA POWER'S IMPROVED EARNINGS

Net Profits Expected to Run 9 Per Cent on Common—$380,000 Against $313,000

From Our Own Correspondent

MONTREAL—Figures for the first ten months of 1921 show that net earnings of the Ottawa Light, Heat & Power Co., ran well ahead of the corresponding period of 1920, the totals being $380,036 as compared with $313,459. For the year ending December 31, 1920, the company's earnings have been the result mainly of lower coal prices and more favorable water conditions on the Ottawa River. There has been a good deal of activity lately in the common stock and a fairly large advance has been registered during the past few weeks. At the current market price of $76 to $77 there is a yield of nearly 8 per cent. on this stock as the dividend payment is 6 per cent.

CONNECTICUT COTTONS IMPROVING POSITION

Now Earning More Than Preferred Requirements—May Start Again This Year

From Our Own Correspondent

MONTREAL— Considerable improvement is reported in the position of Canadian Connecticut Cottons during the latter part of the year 1921. It is understood that net profits for the three months ending December 10 were much more than was required to meet the preferred dividends. The company's product consists of tire fabrics for which a demand has been greatly improved with the better conditions in motor car business. Those in close touch with the company are of the opinion that earnings will continue to improve during the present year and that, while for some months at least these will be utilized to improve the company's working capital position dividend action on the preferred stock may be taken during the latter part of the year. It was owing to the fact that the company was shut down for three months and that a heavy loss had to be taken in inventories of raw materials and finished products that the dividend was passed last year.

At the close of the company's fiscal year, September 10, 1921, the working capital amounted to $595,649. The value of the plant was placed at $4,891,451, making total net assets of $5,487,100 as security for the $3,000,000 of preferred stock outstanding. This showed a slight improvement as compared with the balance sheet that had been issued covering the company's position on June 10, 1921.

VAN ALLEN CO. REORGANIZED

New Board Chosen With Gault Interests Retired

MONTREAL—A re-organization has taken place in Van Allen Company, Limited, which is controlled in this city but whose factory is in Hamilton. At the annual general meeting of the shareholders the old Board of Directors retired and a new board composed as follows, was elected: president, V. de V. Dowker; vice-president, James Ramsey; and in addition, Thomas Allen, Lawrence H. Allen, and J. H. McAfee, with W. H. Walkley as secretary-treasurer. Mr. Dowker will continue as manager of the company. He has acquired along with four of his associates the capital stock of the company, which manufacture underwear, shirts, silk neckwear, etc. This firm was established in 1868 and in 1907 was taken over under the presidency of James Rodger. A. Hamilton Gault was vice-president and the directors were Leslie H. Gault, S. H. Bethune and V. de V. Dowker.

IMPERIAL OIL IS NOT YET A SELF-CONTAINED UNIT

Still Dependent Upon Foreign Sources of Supply of Raw Material

OUTLOOK IN WEST

Drilling Operations Are Being Continued—A Work for the National Welfare—Trade Well Maintained

The petroleum industry in 1921, while less satisfactory from the standpoint of financial return than for several years which preceded it, yet showed results which were very satisfactory in all respects. President C. O. Stillman, president of Imperial Oil Ltd., addressing the shareholders at the company's annual meeting last week, spoke hopefully of the outlook, but emphasized the importance of discovering oil in Canada in order to round out the company's organization, making it less dependent upon supplies of raw materials from foreign sources.

In his forty years' association with the oil industry President Stillman, pointed out that he did not recall a period in which occurred such drastic readjustment of values, and sudden variation in conditions. These experiences were not unexpected and plans for the year were laid accordingly. Committments were reduced to the minimum and in the early days of the year a general letter was issued to employees setting forth the situation and asking for a further increase in efficiency, and a concerted effort for still greater economies in operation. Aided by the fact that about 50 per cent. of the employees are shareholders in the business the letter met with an immediate response. Mr. Stillman continued in part as follows:

> As you are aware we are not as yet a self-contained unit of the petroleum industry. We have erected a manufacturing, marketing and distributing plant which we believe will compare favorably with that of any company in any part of the world. We have still, however, to round out our organization by securing a domestic production of petroleum. Our dependence upon foreign sources of supply have been a source of great anxiety to us in the past, especially during the war period when the production fell far below our consumption, but for the fact that our relations with the larger producing companies in the United States enabled us to obtain at all times a continuous and sufficient supply.
>
> **Import 98% Raw Material.**
>
> While this is reassuring when we contemplate any possible recurrence of such a shortage in the future, there exists, however, many disadvantages in the fact that we are forced to import about 98 per cent. of our raw material. High freight rates are, of course, the most important of these, but in addition to this we have been heavily penalized in the past two years by the depreciation in Canadian exchange.

Vice-president Victor Ross later supplemented the president's remarks with references to the specific work undertaken in the Canadian west. He reported that the well at Pouce Coupe had a flow of 10,000,000 feet daily of gas, but owing to the remoteness of this well, no commercial use could be made of the gas. Drilling was being continued on this well in the hope of finding oil. The company, he added, had abandoned operations at four wells in the west, but was working at fourteen other points outside of Fort Norman, some of them being regarded as fairly promising. The deepest well abandoned was located at Fort Butte, in Southern Alberta, which had reached a depth of 3,975 feet.

Outlook in South America

President G. H. Smith, of the International Petroleum Co., a subsidiary of Imperial, of which he is also vice-president, reported on the year's operations in Peru and Colombia. Production of oil had doubled in Peru in the year, and was now 11,000 barrels a day. He spoke hopefully of the outlook for Colombia, to which two directors had only recently gone on a visit of inspection.

President Stillman referred to the recent sale of 142,628 shares of the unissued capital stock of the company at the price of $90 a share in Canadian funds. This new capital, he explained, was required to meet the cost of new tank cars, various improvements and new construction.

Speaking of the company's position President Stillman stated that in comparison with the general trade of Canada the company's business had been fairly well maintained. There had been a marked decrease in the consumption of lubricating oils and fuel oil, but a fairly sustained market for gasoline and refined oils. Collections were of a very satisfactory character.

WITHIN
the last few years the business world seems to have discovered that Life Insurance can be made just as useful in the protection of business as in protecting the home.

The Great-West Life is writing a very large "Commercial" Business.

The business is in itself a strong endorsement. It involves the strictest scrutiny—the most careful weighing of Policy conditions.

For THE BEST available in Life Insurance, Corporations and individuals can find no Policies to equal those of

The Great-West Life Assurance Co.
Dept. "G"
Head Office: Winnipeg

MERCANTILE TRUST COMPANY
of CANADA Limited
HAMILTON ONTARIO
CAPITAL PAID UP $500,000
BOARD OF DIRECTORS
PRESIDENT
CYRUS A. BIRGE
VICE-PRESIDENTS
MAJOR HENRY L. ROBERTS, Grimsby. JAMES TURNBULL, Toronto
DIRECTORS
C. C. DALTON, Toronto
A. E. DYMENT, Toronto
J. J. GREENE
THOS. C. HASLETT, K.C.
SIR JOHN S. HENDRIE, K.C.M.G.
J. F. KAVANAGH
COL. JOHN I. McLAREN
LT.-COL. W. H. MERRITT, St. Catharines
MAJ.-GEN. THE HON. S. C. MEWBURN
STANLEY MILLS
C. S. WILCOX
W. A. WOOD
MANAGER
S. C. MACDONALD

Notice to Stock and Bond Dealers

A reorganization of an old-established, nationally-known, basic industry—with over two hundred satisfied shareholders—necessitates the raising of additional working capital through the issuance of First Mortgage Bonds and Preferred Stock with a bonus of Common. To a security house, which is open to handle a clean, attractive issue, this offering is bound to prove profitable. An appointment, which will bring full particulars, can be arranged by addressing your first letter to Box 11.

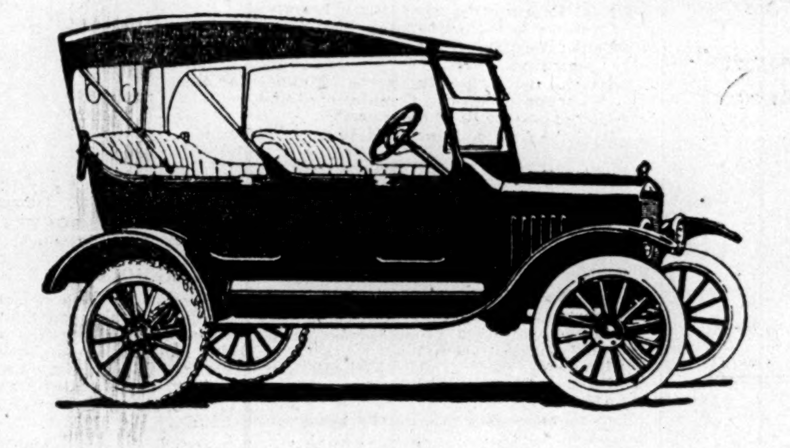
Ford —1922

The same efficient every-day Car

The prices on all Ford Models have been reduced from $20 to $60, effective January 16th, 1922

UTILITY—first, last and all the time—is the guiding principle behind the manufacture of Ford cars. Every dollar you pay for a Ford must return 100 cents value in the service it performs.

There are no fancy trimmings—no cut glass vases, no cigar lighters, no clocks that are never wound—to swell the price. It is equipped with everything you need for service and dollar for dollar is still *the biggest motor car value you can buy.*



The Ford is the car for you

Ford Motor Company of Canada, Limited, Ford, Ontario

103

THE DOMINION BANK

Proceedings of

THE FIFTY-FIRST ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

THE FIFTY-FIRST ANNUAL GENERAL MEETING OF THE DOMINION BANK was held at the Banking House of the Institution, Toronto, on Wednesday, the 25th of January, 1922.

Among those present were noticed: R. S. Cassels, A. W. Austin, William H. Cawthra, Major E. A. Hetherington, Joseph W. Burton (Port Perry), Wm. Kinnear (Inverness, Que.), C. S. Blackwell, A. Monro Grier, K.C., F. W. O'Flynn, W. A. Medland, David Henderson, Edward P. Beatty, F. H. Gooch, James W. Barry, Albert N. Ellis (Oshawa), Wm. B. Sanders (Stouffville), William C. Crowther, Frank J. B. Russill, J. D. Warde, Wm. H. Edwards, Frank E. Macdonald, Thomas F. Nivin, C. S. Howard (New York), R. H. Ferris, F. L. Patton (Winnipeg), James Scott, Allan McPherson (Longford Mills), Paul Warde, Wm. Ross, Sir Edmund B. Osler, W. S. Kerman, John Edwards, Dr. Thomas Armstrong, Wm. Crocker, A. W. Laver, Samuel Jeffrey (Port Perry), Arthur C. Paull, Cyril C. Jeffrey (Port Perry), John C. Cook, John F. Kavanagh (Hamilton), Frederick F. Miller (Napanee), Sir John C. Eaton, W. K. Pearce, Graham Campbell, James O. Gadsby, R. M. Gray, Rev. Dr. H. J. Cody, M.A., Jesse Ashbridge, Wm. Stewart, Wm. F. McAdie (Oshawa), Col. Henry Brock, R. S. McLaughlin (Oshawa), Leighton McCarthy, K.C., Wm. Logan, Isaac H. Brown, Everett W. Fowke, Hon. Thos. Crawford, C. A. Bogert, Hubert A. Cooper, Rev. John de Pencier Wright (Kingston), G. R. Geary, K.C., Dr. Allen C. Michell, W. W. Near, Dr. John F. Ross, W. Cecil Lee, Geo. W. Allen, K.C. (Winnipeg), Joshua C. Moor, C. A. Ross, James Matthews, William Mulock, K.C., Evan A. Begg, Dr. F. LeM. Grasett, Henry J. Bethune, F. Gordon Osler, Charles Walker, Dr. R. M. Bateman, Dr. Brefney, R. O'Reilly, W. L. Matthews, M. S. Bogert (Montreal), Charles M. Gripton (St. Catharines), Robert Ross, Henry V. H. Cawthra, H. C. Scholfield, Charles P. Stuart, R. J. Christie, H. W. Hutchinson (Winnipeg), J. O. Buchanan, A. J. Hills, A. T. Reid, H. H. Williams.

It was moved by W. W. Near, seconded by C. S. Blackwell, that Sir Edmund B. Osler do take the chair, and that Mr. W. K. Pearce do act as Secretary.

Messrs. Graham Campbell and R. M. Gray were appointed Scrutineers.

The Secretary read the Report of the Directors to the Shareholders, and submitted the Annual Statement of the affairs of the Bank.

TO THE SHAREHOLDERS:

The Directors beg to present the following statement of the result of the business of the Bank for the year ended 31st December, 1921:

Balance of Profit and Loss Account, 31st December, 1920..			$ 669,218.16
Profits for the year, after deducting charges of management and making full provision for bad and doubtful debts		$1,125,181.64	
LESS			
Dominion and Provincial Government Taxation		108,919.21	
Making Net Profits of			1,016,262.43
			$1,685,480.59
Which amount has been disposed of as follows:			
Dividends (quarterly) at twelve per cent. per annum	$720,000.00		
Bonus, one per cent.	60,000.00		
Total distribution to Shareholders of thirteen per cent. for the year		$780,000.00	
Contribution to Officers' Pension Fund		40,000.00	
		$820,000.00	
Written off Bank Premises		150,000	
		$970,000.00	
Baance of Profit and Loss Account carried forward		715,480.59	
			$1,685,480.59

E. B. OSLER,
President.

C. A. BOGERT,
General Manager.

The year just closed has been a trying one to business interests throughout the world. and your Directors feel that you will look upon the statement submitted as being satisfactory in view of all the circumstances.

The Head Office and Branches have been inspected by the Bank's Inspectors during the year.

The Bank's Auditors, Messrs. G. T. Clarkson and R. J. Dilworth, have made a thorough examination of its affairs, and their certificate is appended to the Balance Sheet.

It was not considered advisable, on account of existing conditions, to expand to any great extent during 1921 in the way of establishing new Branches. The following were opened:—

In ONTARIO—Long Branch, Kenora, Rosseau; Toronto, Davenport Road and Uxbridge Avenue, East Danforth Avenue. In QUEBEC—Montreal, St. Etienne, Westmount.

Three Branches were closed: In ONTARIO—Ameliasburg (sub to Belleville), Harrow. In SASKATCHEWAN—Estlin (sub to Regina).

Branch buildings were completed and occupied at the following points:—Brantford, Ontario; Long Branch, Ontario; Toronto, Ontario, Bloor Street and Runnymede Road, Dufferin Street and Lappin Avenue.

At the last Annual Meeting authority was given to increase the number of Directors. Mr. C. S. Blackwell was elected to the Board in September last.

Toronto, 25th January, 1922. **E. B. OSLER**, President.

The Report was adopted.

Messrs. Geoffrey T. Clarkson and Robert J. Dilworth, the retiring Auditors, were reappointed for the current year.

The thanks of the Shareholders were tendered to the President, Vice-Presidents and Directors for their services during the year. and to the General Manager and the other Officers of the Bank for the efficient performance of their respective duties.

The following gentlemen were duly elected Directors for the ensuing year:—Messrs. A. W. Austin, C. S. Blackwell, James Carruthers, R. J. Christie, Sir John C. Eaton, E. W. Hamber, H. W. Hutchinson, W. L. Matthews, R. S. McLaughlin, Sir Augustus M. Nanton, W. W. Near, Sir Edmund B. Osler, A. T. Reid and H. H. Williams.

At a subsequent meeting of the Directors Sir Edmund B. Osler was elected President, and Mr. A. W. Austin and Sir Augustus M. Nanton Vice-Presidents, for the ensuing term.

GENERAL STATEMENT

LIABILITIES

Capital Stock paid in			$ 6,000,000.00
Reserve Fund		$ 7,000,000.00	
Balance of Profit and Loss Account carried forward		715,480.59	
Dividend No. 157, payable 3rd January, 1922..		180,000.00	
Bonus, one per cent., payable 3rd Jaunary, 1922		60,000.00	
Former Dividends unclaimed		255.00	
			7,955,735.59
Total Liabilities to the Shareholders			$ 13,955,735.59
Notes in Circulation		$ 7,326,571.00	
Due to Dominion Government		8,552,610.00	
Deposits not bearing interest	$18,018,016.33		
Deposits bearing interest, including interest accrued to date	80,786,284.33		
		98,804,300.66	
Balances due to other Banks in Canada		869,285.18	
Balances due to Banks and Banking Correspondents elsewhere than in Canada		833,679.23	
Bills payable		267,960.00	
Acceptances under Letters of Credit		354,740.43	
Liabilities not included in the foregoing		371,060.49	
Total Public Liabilities			117,380,206.99
			$131,335,942.58

ASSETS

Gold and Silver Coin	$ 2,117,000.19	
Dominion Government Notes	15,715,807.50	
Deposit with Central Gold Reserves	1,700,000.00	
Notes of other Banks	1,100,880.71	
Cheques on other Banks	7,389,398.59	
Balances due by other Banks in Canada	1,000.00	
Balances due by Banks and Banking Correspondents elsewhere than in Canada	2,397,668.15	
	$30,421,750.14	
Dominion and Provincial Government Securities, not exceeding market value	13,371,201.90	
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities, other than Canadian, not exceeding market value	4,168,630.45	
Railway and other Bonds, Debentures and Stocks, not exceeding market value	1,751,108.28	
Call and Short (not exceeding thirty days) Loans in Canada on Bonds, Debentures and Stocks	6,561,853.52	
Call and Short (not exceeding thirty days) Loans elsewhere than in Canada	3,835,123.27	
		$ 60,109,667.56
Other Current Loans and Discounts in Canada (less rebate of interest)	$63,710,574.03	
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest)	554,542.96	
Liabilities of Customers under Letters of Credit, as per contra	354,740.43	
Real Estate other than Bank Premises	5,430.37	
Overdue Debts (estimated loss provided for)	144,358.59	
Bank Premises, at not more than cost, less amounts written off	5,830,229.52	
Deposit with the Minister of Finance for the purposes of the Circulation Fund	309,575.00	
Mortgages on Real Estate sold	17,227.81	
Other Assets not included in the foregoing	299,596.31	
		71,226,275.02
		$131,335,942.58

E. B. OSLER,
President.

C. A. BOGERT,
General Manager.

AUDITORS' REPORT TO SHAREHOLDERS

We have compared the above Balance Sheet with the books and accounts at the Chief Office of The Dominion Bank, and the certified returns received from its Branches, and after checking the cash and verifying the securities at the Chief Office and certain of the principal Branches on December 31st, 1921, we certify that, in our opinion, such Balance Sheet exhibits a true and correct view of the state of the Bank's affairs, according to the best of our information, the explanations given to us and as shown by the books of the Bank.

In addition to the examinations mentioned, the cash and securities at the Chief Office and certain of the principal Branches were checked and verified by us at another time during the year and found to be in accord with the books of the Bank.

All information and explanations required have been given to us and all transactions of the Bank which have come under our notice have, in our opinion, been within the powers of the Bank.

G. T. CLARKSON,
R. J. DILWORTH,
of Clarkson, Gordon & Dilworth, C.A.

Toronto, January 19th, 1922.

MONEY BANKING AND EXCHANGE

NEW CAPITAL FOR PROVINCIAL BANK WITH NEW BOARD

Strong Support Guaranteed With Additions of Business Leaders

FORM CONNECTIONS

Particularly in Quebec District—Nursing Montmagny Account—Interesting Personnel

From Our Own Correspondent

MONTREAL.—The announcement made this week of four additions to the board of directors of the Banque Nationale of Quebec was received with keen satisfaction in financial circles as a definite intimation that adequate resources would be at the disposal of the bank and that a new and vigorous policy of development would be undertaken. Generous support has been forthcoming that more than takes care of such commercial losses as have been almost inevitable during the period of readjustment for the past couple of years. Not only so but shortly it is understood the capital stock of the bank will be increased from the present total of $3,000,000 probably to the amount authorized of $5,000,000. This should enable the bank to look after demands that have been made on it for the discounting of commercial paper in the larger centres of the provinces. For years past the bank's activity in this direction has naturally been curtailed by the inadequacy of its capital stock. So far as the deposit end of its business is concerned—with over $50,000,000—it occupies a strong position.

Two Vacancies on Board

The addition of tour men of admitted business ability and enjoying the confidence of the business community to the extent to which Messrs. Amyot, Fortier, Garneau and Taschereau do, at once removed any disquiet that may have existed throughout the whole area served by the bank and particularly in the City of Quebec and the surrounding districts. The four new names in reality mean an increase of only two in the Board as the president of the bank for many years past, Rodolphe Audet, had died in the early summer and had been succeeded by J. B. Laliberte, a fur dealer and one of the oldest members of the Board. Another vacancy on the Board was caused by the death of Charles Pettigrew recently.

Hon. George E. Amyot, the new president, besides being recognized as a successful business man is ranked in public gossip as one of the wealthiest of the French-Canadians of this province with a reputed income close to $900,000 a year and property valuation running into millions, a very near second to Senator Wilson of Montreal in potential wealth.

The active connection of J. H. Fortier, vice-president of P. T. Legare Ltd., is counted on especially in helping the bank realize on loans it had made to the Agricultural Machinery Co., of Montmagny, Que. This firm last year made an issue of $4,000,000 of 7 per cent. bonds and it is understood the bank made large loans on these bonds as security. This company manufactures a high grade motor and agricultural implements, and Mr. Fortier's successful experience with a concern that has built up over 1200 agencies in the Province for distribution, is counted on to work out a successful result of the bank's connection with the Montmagny Company.

Sir George Garneau is also prominent in business circles in Quebec City where he is president of Garnueau Ltd., a wholesale dry goods house the time of the Tercentenary, celebration at Quebec, Sir George, who at that time was Mayor of the city, was knighted, the ceremony being performed in the citadel, by the Prince of Wales, now King George. Others who were knighted at the time were Sir Lomer Gouin, premier of Quebec Province, and Sir James Whitney, late Premier of Ontario.

Mr. Taschereau is a brother of Premier L. A. Taschereau of Quebec Province and is connected with a number of financial enterprises. He is head of the firm of notaries of Taschereau and Cantin of Quebec City.

It is possible that one or two name may be dropped from the Board of the bank, but in any case the four new members will be in active control.

The satisfactory ending to this episode is viewed here as one more obstacle out of the way to the clearing of the financial decks to a positive upward movement along commercial as well as financial lines.

EXCHANGE MARKETS

Steady to Firm Throughout Week—N. Y. Fund Down to 5

Exchange markets were steady to firm throughout the week. New York funds again receded to 5, closing stronger, however, at 5 1-8. Fluctuations in Sterling were of a minor character, ranging from a low of $4.20 7-8 to a high of $4.22 3-8. Francs were steady. The following are the quotations in Sterling, francs and New York funds for the week:

NEW YORK FUNDS

Jan. 19—Markets steady around 5 5-16 to 5 7-16.

Jan. 20—Funds firmer at 5 11-16 to 5 3-4, reaching at close, however, to 5 1-2.

Jan. 21—Funds sold at 5 7-16 to 5 1-2.

Jan. 23—Funds opened at 5 3-8 with sales at 5 1-4 and 5 1-16.

Jan. 24—Funds sold at 5 1-8, 5 1-4, 5, 5 1-8, 5 3-16.

Jan. 25—Funds opened stronger at 5 1-4, weakening to 5 1-8, 5 and 5 1-8.

STERLING AND FRANCS

	Sterling		Francs	
	Demand	Cables	Demand	Cables
Jan. 19—	$4.22⅛	$4.22⅞	12.19	12.17
Jan. 20—	4.21⅛	4.21⅞	12.31	12.29
Jan. 21—	4.20⅞	4.21⅝	12.37	12.35
Jan. 23—	4.21½	4.22¼	12.50	12.48
Jan. 24—	4.22	4.22¾	12.37	12.35
Jan. 25—	4.22⅜	4.23⅛	12.24	12.22

ROYAL

Speyer & Co., New York, has purchased from the Royal Bank of Canada its entire holding of about 8,000 shares of stock of the Bank of Manhattan Company of New York. The Royal Bank received the stock in 1920 in exchange for its holdings of Merchants National Bank stock when the latter was absorbed by the Bank of the Manhattan Company.

TORONTO CLEARING HOUSE

The Toronto Clearing House Association at its annual meeting elected Charles D. Gordon of the Dominion Bank and G. G. Le Mesurier of the Imperial Bank, chairman and vice-chairman of the association respectively, for 1922.

LONDON CLEARING HOUSE

At its annual meeting the London Clearing House Association elected G. H. Montgomery as chairman; J. R. Wainwright, vice-chairman, and B. N. Sylvester as manager and secretary-treasurer for the coming year.

FIGURING THE NET PROFITS OF MANITOBA BANK

Bankers Ask If Anything Written Off For Bad Debts

IS LOSS CONCEALED?

Critics Say They May be Charged to Provincial Consolidated Revenues—Advances Made

From Our Own Correspondent

WINNIPEG—Because the annual report of the Manitoba Provincial Savings Department just returned to the Manitoba Legislature shows a net profit of $8,937 from the year's operations, the Manitoba Free Press declares that the government banking venture "has made a creditable showing, fulfilling the purpose for which it was intended." Business men's criticism which has been given to THE FINANCIAL POST, however, stresses the need for carefully analyzing the position of the Provincial Savings Department as revealed in the report. "On the face of it the figures seem alright—as far as they go—but it is very necessary to go deeper," said a Winnipeg banker, who confessing that he was sceptical, added. "Has one dollar been written off for bad debts? Is acknowledgment made for losses, which it must be apparent to all can not have been entirely escaped in these times of agricultural failures?"

With their intimate knowledge of the situation bankers are disposed to regard a heavy proportion of the Provincial bank's loans to farmers as badly chosen, and certain to result in substantial losses. Director Gifford of the rural credits department of the Manitoba government, however, this week made the statement, "While we carry over a percentage of our loans there is no danger of the provincial government having to take any loss on the advances." Director Gifford's statement in this connection presumably may be taken as the government's answer to banking critics who venture to suggest that the Provincial Bank's statement should have contained a writing off for bad loans. The superior position of the provincial venture in this regard—claimed by Mr Gifford—will be certain to excite the envy of all other loaning corporations, the banks and mortgage companies included, who admittedly have been confronted with substantial losses because of the prostration of the farming industry.

Are Losses Concealed

Critics of the government's banking venture assert that the loaning losses are charged to provincial consolidated revenues and are thus concealed. Thus the report to the legislature is regarded among many bankers in Winnipeg as having been carefully camouflaged, the result being that the public is actually by way of taxation paying for the upkeep of an enterprise that is economically unsound, the while it continues to present unfair business competition to all other private business enterprise.

The Provincial Savings Bank was started with the avowed purpose of financing the rural credit societies of Manitoba. Not only has the bank accomplished this, but, according to the report the demand for funds from the rural credit societies has been overtaken and additional funds approximating $250,000 have been invested in Victory bonds. The question immediately arises as to the reason for continuance of the bank's aggressive campaining for deposits, when its objective has been overreached?

The report issued by E. A. Weir, chairman of the Board of Trustees of the Manitoba Provincial Savings Department shows net cash received from deposits amounting to $3,113,226, interest credited to these depositors bringing the total to $3,207,062. The receipts were further augmented by $182,272, which according to the report was made up of $39,393 advances from the Provincial Treasury and $142,878 revenue from loans and investments. Receipts for the year were thus brought to an aggregate of $3,389,335. Payments, including interest to depositors, organization expenses, administration and general expenses, repayments to provincial treasury, etc., amounted to $168,395. The balance of $3,220,939 is represented by loans and investments aggregating $2,949,202 and a cash balance of $271,739.

No Taxes Paid

Net profits of $8,937 are shown—actually the given results of seventeen months' operations, from July, 1920 to the close of the fiscal year, November 30, 1921. This result is achieved without, however, the Provincial bank returning to the government any measure of taxes as the chartered banks and other financial loaning institutions are compelled to pay.

The Provincial Savings office got under way in July 1920 but the report indicates that it has not yet been possible to write off the entire organization expenses, and the year's net profits of $8,937 are possible because the provincial government continues to shoulder the burden of approximately $20,000 of the inital outlay of getting the Department started. In the meantime too it is understood that in its routine operation the Provincial Bank further employing Utopian principles makes use of various civil officers whose salaries continue to be paid by other departments of the government. Certain it is that its trustees or directors, on Mr. Weir's own admission receive no renumeration, a charge other banks cannot escape.

Chairman Weir says, "it is reasonable to suppose that by the end of this year the Savings Office will be in a position where it will have taken care of all deferred charges and have repaid all advances from consolidated revenue." This forecast would presume another twelve months entirely free from loan losses.

GOVERNMENT BANKING

Heavy Taxes by Governments Which Compete With Private Business

At the annual meeting of the Dominion Bank, the president, Sir Edmund Osler declared that provincial governments were not justified economically in entering into the banking field. He continued:

"To impose heavy taxes on the banks and then establish Government opposition, paying unhealthy rates for deposits and operating the machinery in a manner which makes it possible to draw on the public pocketbook to cover deficits, is both unfair and unsound. It should also be borne in mind that, if the movement spreads, and the banks, for the protection of their legitimate earning power, are compelled to raise the with the Governments, the inevitable rerate of interest on deposits to compete sult will be that loaning rates to customers will have to be increased, as well as other charges for banking services. Such necessary measures would be a real detriment and drawback to all business enterprises."

Current Bank Loans Again Show a Considerable Decline

Contraction of Assets Continues as Indicating the Policy of Deflation Being Followed by the Banks

A decline of $36,000,000 in current loans is the outstanding feature of the bank statement for December. If followed a decline of nearly the same amount in the previous month and for the year the total is down $127,750,000. Current loans abroad increased a million and there was an increase of $8,670,000 in call loans in Canada but call loans abroad were cut down by over $23,000,000.

The contraction of total assets was more than double the contraction in current loans in Canada being $77,400,000 for the month; for the year assets contracted over $310,000,000. These figures indicate the extent to which deflation is being carried out by the banks.

Savings deposits declined about $11,500,000 during the month and are over $50,000,000 off as compared with a year ago. Demand deposits were down $15,000,000 during the month and $116,500,000 during the year. Foreign deposits are down $14,500,000 for the month and $86,000,000 for the year.

DECEMBER BANK STATEMENT.

ASSETS

	Dec. 1921	Nov. 1921		Change	Dec. 1920		Change in yr.
Specie	$ 78,851,283	$ 81,671,381	—	$ 2,820,098	$ 82,687,559	—	$ 3,836,276
Dom. notes	195,703,154	198,821,730	—	3,118,576	177,489,289	+	18,213,865
Can. call	113,071,089	104,392,115	+	8,678,974	114,703,246	—	1,632,157
Call loans ab'd	169,859,037	193,001,119	—	23,142,082	211,442,652	—	41,583,615
Current	1,174,053,434	1,210,101,634	—	36,048,200	1,301,804,302	—	127,750,868
Loans ab'd.	145,343,054	144,340,080	+	1,002,994	184,540,423	—	39,197,369
Gold res.	68,452,533	69,402,533	—	950,000	113,352,533	—	44,900,000
Ttl. Assets.	2,746,732,605	2,824,130,507	—	77,397,902	3,056,979,489	—	310,246,884
LIABILITIES							
Circulation	$ 184,602,546	$ 181,953,001	+	$ 2,649,545	$ 228 758,587	—	$ 44 156,041
Demand dp.	540,942,522	555,901,712	—	14,959,190	657,496,742	—	116,554,220
Savings	1,240,807,268	1,252,227,394	—	11,420,126	1,293,007,488	—	52,200,220
Total dep. in Canada	1,781,749,790	1,808,129,106	—	26,379,316	1,950,504,230	—	168,754,440
Foreign dp.	270,721,507	285,217,706	—	14,496,199	356,771,009	—	86,049,502
Total liab.	2,472,350,424	2,541,336,278	—	68,985,854	2,778,308,547	—	305,958,129

NEWS AND VIEWS FOR MANAGERS

HOW SHORT TERM FARMERS' LOANS ARE EXTENDED

Plea That Credit Limit Is Six Months Is Not Correct

KEEN COMPETITION

Farmer Gets Credit to Which He is Entitled—If Government goes further it is not sound banking

How the present banking system, under the Bank Act, serves the farmer is further explained in the concluding portion of the second article by Professor Michess, of the department of Political Economy of McMaster University, on the proposed government banking system for Ontario. He says the idea that the farmer cannot get a longer credit than sixty days is inacurate because of the system of extensions followed and generally applied because of the keen competition prevailing. Professor Michell's concluding article, to appear next week, deals with the "Provincial Savings Institution."—J. W. T.

As a matter of actual fact do the managers of banks in rural districts extend the loans of their farmer customers? The answer is that they do, if there is the faintest chance of a man being able to pull through by an extension of time. It is not to the interest of any bank to embarrass its customers by insisting upon repayment of loans after 90 days if there is a reasonable ground for extension. Indeed we may go so far as to say that any bank that started to put pressure upon the farmers would run a great risk of falling under suspicion of being unsound itself and would lose business rapidly and probably irretrievably.

I have myself inspected in the head office of one of the chartered banks the details of a great many loans granted to farmers in all parts of the Province of Ontario, and was amazed at the length of time to which they were allowed to run. Several had been contracted in 1918, many in 1919, and a very great many had been running for well over twelve months. A great number of these loans had been granted to very small men, showing a very narrow margin of assets over liabilities; but in each case the manager had appended some such comment, as "a thoroughly trustworthy and reliable man" or, "a hard worker and an honest man," showing that the grounds upon which the credit had been extended were the best possible, the confidence of the manager in the borrower.

Facts About "Short Terms"

The fact is that the plea that the farmer cannot get a loan for more than six months simply is not an accusation. A good man, rich or poor, who has the confidence of the manager in his integrity and industry, and who can give good reason for asking for an extension can always get it. Thirdly, it is alleged the banker does not know the farmer, does not understand his difficulties, and is not in a position to appraise the worth of the security offered. It is hard to believe that the commissioners really know the facts of the case, either they do not know them or they are disregarding them. How many times in rural districts are managers of the banks seen driving round, making themselves acquainted in a social and friendly way with the farmers of the district, and keeping at the same time an eye open to business? Are the commissioners not aware that liberal driving allowances are paid to all branch managers for the very purpose of getting them into personal touch with customers or possible customers? If there is an auction sale in the neighbourhood the man who will be there will be the branch bank manager, with a keen eye to business in helping a good man with a loan to buy stock to build up a good herd, or implements to increase his efficiency.

Competition is Keen

The competition among the chartered banks to get the farmer's business is intense; the managers of rival banks will positively fight for it, and to say that the interests of agriculture are neglected is simply not a statement of fact. Some better ground for the establishment of a system of short-time rural credits must be found than the alleged inability of the banks to meet the needs of the farmer for temporary accommodation.

KITCHENER CLEARING HOUSE

At the sixth annual meeting of the Kitchener Clearing House Association held recently, the following officers were elected for the year: Chairman, A. J. Cunlick, manager the Bank of Nova Scotia; vice-chairman, R. D. Boughner, manager the Dominion Bank, and secretary, J. J. Benson, manager, the Bank of Montreal.

THEY WERE GAME

"As to these directors who are accused of not directing, has none a word to say by way of appreciation of a set of men in that position who evidently for some time were apprehensive and yet took no step to unload their own holdings while they had every opportunity to do so? Surely here was a test of character and character is surely what is most required in bank directors. If every other bank is equally well equipped in that regard we need not fear for any of them."—An extract from accompanying article by M. J. Manning, Delburne, Alta.

BANKS WORK WITH LIFE INSURANCE CO'S.

Uniformity of Provincial Legislation Advocated—Large Policies Common

From Our Own Correspondent

HALIFAX.—Life insurance is rapidly becoming a science and to be successful in it men presently will require an educational course comparable to that provided for the practice of law or medicine. F. G. Stephenson, of Winnipeg, President of the Dominion Underwriter's Association. told the newly organized Nova Scotia Underwriters' Association at their educational congress here. Mr. Stephenson also suggested that it was necessary to enlarge the ideas of the public concerning the importance of life insurance. Before the war a policy of $5,000 was considered large by the average man. Today a policy of $20,000 is not unusual.

D. MacGillivray, of the Canadian Bank of Commerce, urged the need of action to secure uniformity in provincial legislation touching insurance companies, and declared the banks were working hand in hand with the insurance companies, recognizing an insurance policy as a substantial basis of credit.

ANOTHER CANADIAN HEADS A U. S. BANK

John McHugh Becomes President of the Merchants and Metals National

From Our Own Correspondent

NEW YORK.—With the accession of John McHugh to the presidency of the Mechanics and Metals National Bank, another Canadian becomes head of a large American bank. The Mechanics and Metals National Bank has a capital and surplus of over $27,000,000 and is consequently one of the largest national banks in the United States.

Mr. McHugh started as a telegraph operator for the Grand Trunk Railway at ten dollars a week. Attracted to banking as a young man, he left Canada for the Middle West where he held positions with a number of banks, eventually becoming president of the First National Bank of Sioux City. He came to New York in 1915 as vice-president of the Mechanics and Metals.

In addition to being vice-president of this bank, Mr. McHugh has been president, since its organization of the Discount Corporation of New York and was the chief supporter of the $100,000,000 Foreign Trade Corporation whose untimely demise is mentioned in another column.

COMMERCE

The Board of Directors of the Canadian Bank of Commerce have declared a dividend of 3 per cent. for the quarter ending 28th February, payable 1st of March to shareholders of record of 13th February. The transfer books will not be closed.

The Bank of Commerce announce that on February 1st, they will open a branch at the corner of Queen and Teraulay Streets, Toronto, to be known as the City Hall branch. This branch will be under the management of J. A. Forster.

The following staff changes have been announced by the Bank of Commerce: F. M. Beauregard of the Shawinigan Falls branch, transferred to Calgary; J. A. Nightingale, Galt, to Chatham branch; N. J. Ingram, Sudbury, to Echo Bay, sub-agency; C. B. Windsor transferred to London from Sudbury.

Weekly Bank Clearings

(In comparison with the same week last year)

EASTERN CITIES

	Jan. 19. 1922		Change	%
Toronto	$106,101.761	+	$11.592.715	12.2
Montreal	107.947,047	—	1.562,169	1.4
Ottawa	6.531.477	—	2.343.785	26.4
Hamilton	4.909.715	—	1.450.112	22.8
Quebec	5.359.600	—	1,032.424	16.1
Halifax	3.104.952	—	631.335	16.8
St. John	2.160.959	—	590.037	21.4
London	3.129.576	—	51.659	16.2
Windsor	2.444.693	—	331.745	11.9
Moncton	913.859	—	121.868	11.7
Kitchner	857.518	+	1.072	.1
Sherbrooke	652.390	—	329.009	33.5
Peterboro'	710,185	—	142.622	16.7
Total East	$244.823.732	+	$ 3.007,022	1.2
Kingston	724.416		....	....
Brantford	919.412		....	....

WESTERN CITIES

	Jan. 19. 1922		Change	%
Winnipeg	$ 38.493.390	—	$14.506.810	27.3
Vancouver	11.646.513	—	2.493.355	176
Calgary	4.763.501	—	2.635.022	35.6
Edmonton	3.871.690	—	1.265.190	24.6
Regina	3.102.940	—	693.245	18.2
Victoria	1.887.525	—	878.280	31.7
Saskatoon	1.589.649	—	373.282	19.2
Moose Jaw	1.126.060	—	331.735	22.7
Ft. William	1.000.553	+	54.487	5.7
Brandon	517.791	—	215.737	29.4
Lethbridge	533.464	—	140.889	20.9
N. Westminster	408.953	—	130.883	24.2
Medicine Hat	370.465	—	108.842	22.7
Prince Albert	318.515	—	49.962	13.5
Total West	$ 69.631.018	—	$23.768.745	25.4
Grand Total	$314.454.750	—	$20.761.723	6.2
Yr. to date	$984,745,857	—	$100,713,603	9.3

MANAGER SHOULD SPREAD GOSPEL OF GOOD BANKING

Old Bank Man Finds Lessons in the Merchants Merger

AUDITORS—DIRECTORS

Some Interesting Comment on Their Respective Responsibilities—Bank Affected by General Conditions

The following contribution to that discussion on Canadian banking methods, which has followed the revelations in connection with Merchants Bank is from an experiened bank officer, who spent eighteen years in the service of the Merchants, the last six as inspector in Alberta and British Columbia; he has for some years been retired. His views upon the responsibilities of auditors and directors are indeed interesting and his recognition of the harm done to public opinion indicates a keen appreciation of sentiment in Western Canada. The point about the need for closer relations between managers and the public to bring about a better understanding of bank service sounds like a good tip to both managers and head office.—J. W.T.

Your front and tenth page articles on "The Public and The Banks" and on "Whitewashing the Auditors" in your issue of the 13th inst. are very interesting, but it seems to me that a very important feature has been over-looked in all the reports I have seen regarding this Montreal-Merchants merger; the great loss that all business suffered during the past year. I venture the assertion that nine-tenths of the wholesale and retail houses throughout Canada which maintained a normal stock purchased and re-sold at normal prices lost during the past twelve months at least 20% of the cost of the stock on hand twelve months ago. And farmers and live stock breeders have lost still more according to their own representations. Then how can the general public or bank shareholders expect the banks to escape? Indeed, the general public apart from these shareholders, take the view that the banks have no right to escape entirely so long as depositors are protected and the banks can continue to function.

And the fact that banks must suffer losses during these difficult times is no proof that the banking system or that any of our Candian banks is unsound. In this particular case a competing institution has placed the value of Merchants stock at, roughly, 15% above par and then given the vendors an opportunity to take their pay in Bank of Montreal stock at what is plainly a reasonable price. After the deal is completed the shareholders of Bank of Montreal, including these new ones, will surely not be worrying about the next dividend.

As regards the shareholders, audit-everyone who knows anything about banking must feel that it is a farce. As the "Gazette" points out, "auditors do not appraise the notes under discount" so what posible value can be attached to their report? I am not aware that the directors who, you must know, generally control the shareholders of any bank ever asked a trained banker to make the audit, the obvious reason being that it is more convenient to appoint someone who is not a banker by training and one who will not dig too deeply or who does not know too well how or where to do the digging. Notwithstanding the fact, as exemplified in this case, that the Canadian banking system is sound, there have been, of course, weaknesses that can be remedied just as there are weaknesses to be remedied in all government and railways and in all mercantile business and for that mater in farming methods, but the remedies must for the most part come from within, not from those who (you say that the Banking Machine is a mystery to the people of Canada) know nothing about it.

It is plain that what is required is not more auditing. It may or it may not be advisable to advertise the fact so soon as on auditor may find a bad account on a bank's books. What is required is greater caution in lending this money which for the most part belongs not to the banks but to the general public in the shape of deposits—a little stronger determination on the part of every banker to stick to the sound rule of making no advance that the prospective borrower cannot show his ability to repay within a short period of time. And we have evidence that every leading banker right now is trying with all his might to do that. But this more conservative policy which, if followed a few years ago, might have saved the old Merchants, and possibly might have prevented some difficulties in other banks which have not come to light and which perhaps might as well remain in the dark because it is inconceivable that any of our large banks are actually insolvent, means less of that strenuous competition which the farmers do not believe exists; and this is just where one of the chief dangers lies.

You point out this danger when you accuse the banks of not getting close to the public and so indirectly encouraging government banks. It is a serious matter that the controlling forces among the farmers politically in the West and in Ontario do not seem to understand the fundamentals of banking and so demand long-winded credits without a thought about the fact that this money actually belongs to their neighbors, the depositors, who expect to get it back without a moment's notice. The banks are out of touch with the farmers in that they do not make the position plain. Occasionally an Annual statement comes out with most excellent advice to farmers from a G. M. who, the farmer suspects, would not know a Shorthorn from a Jersey or a field of wheat from a field of corn, but with nothing to show the farmer that his interests whether he be a depositor or a borrower are being conserved by the best banking system yet devised on this earth. And the G.M.'s subordinates follow the lead and stand aloof. On one occasion it is true that the Superintendent of the Bank of Commerce did address the U.F.A. in convention upon some such question as our banking system vs. Government banks but his explanations were such that he might as well have spoke in a foreign language because only a few could understand his "reserves," etc. The G.M. should encourage his managers to go to the U.F.A. locals and explain this banking machine as it applies to farmers. A man who cannot explain it should not be a country manager.

ROYAL BANK SELLS MANHATTAN STOCK

Eight Thousand Shares Disposed of to Speyer & Co., New York

From Our Own Correspondent

NEW YORK.—The sale of eight thousand shares of Bank of Manhattan Company stock during the past week by the Royal Bank of Canada, to Speyer & Co., apparently brings to an end an association which began in December 1919. At that time the Bank of Manhattan Company took over the Merchants National Bank, its neighbor on Wall Street and like it one of the oldest banks in the United States. As the Royal Bank owned fifty-one per cent. of the stock of the Merchants National, having acquired control of the bank in June 1917, by the payment of some $2,860,000, when the Merchants National was taken over by the Bank of Manhattan Company, the Royal was given eight thousand shares of the new Bank of Manhattan for its interest. J. E. Eldred and Raymond E. Jones were made the Royal's representatives on the board of directors of the reorganized bank. Mr. Aldred was the Well-known American financier whose interests in Canada are so large and Mr. Jones was the president of the Merchants National and had been for several years the New York Agent of the Royal Bank of Canada.

The affiliation of the Royal Bank of Canada with the Bank of Manhattan Company was made the subject of much congratulation on the part of Canadians here at the time it was consummated as it was felt that the association strengthened materially the position not only of the Royal Bank of Canada here, but would in the long run, help Canadian prestige considerably. It was felt that it was a decided compliment to a Canadian bank to be invited to associate itself with two of the oldest and largest banks in the United States, the Bank of Manhattan having been founded in 1799 and the Merchants National in 1804, Alexander Hamilton having drawn up the charter of one and Aaron Burr that of the other.

Of the 300,000,000 acres fit for farming in Canada, one-third is in farm holdings, only one-sixth is cultivated; 250,000,000 acres await the tractor and the man, according to official figures. Of the 178,000,000 acres known to be fit for farming in the 454,789,678 acres forming the land area of the Prairie Provinces only 35,847,000 acres were under cultivation in 1921.

Write TO-DAY for your copy of

THE INVESTMENT REVIEW

—contains invaluable INFORMATION and TRADING Information and Suggestions.

PRIVATE WIRE SERVICE

Direct private wires to New York and branches. Immediate quotations on all stocks listed anywhere.

CLIP HERE

Dear Sirs,
Kindly place my name on your mailing list for "The Investment Review," without cost to me.
Name ....
Address ....
....

FOR BETTER SERVICE, CONSULT

Friedman, Markelson & Co.
Stock Brokers
30 Hospital Street - - - - MONTREAL
HEAD OFFICE: 45 Beaver Street, New York
BRANCHES:
1823 Broadway, New York
742 Main Street, Hartford, Conn.

Buy an Income Now

The man who buys sound investments is buying an income. Fundamental factors are tending to move bond prices still further upward and an assured income can be bought to-day cheaper than six months or a year from now.
As commodity prices drop that income will purchase more.
By buying bonds at to-day's prices you will reap a double benefit. The bonds enhance in value and the purchasing power of the income will increase.
Select your investments from this list and ask to have your name added to our mailing list.

DOMINION OF CANADA
Victory Loan. All issues. 5½%. At market.

PROVINCIAL
Province of Ontario. 6%. Due 1935.
Province of Ontario. 6%. Due 1930.
Province of Alberta. 6%. Due 1941.

MUNICIPAL
$140,000 County of Simcoe. 5½, 6 and 6½%. Due 1922-1948. (Guaranteeing Town of Barrie.)
17,000 Province of Ontario. 6%. Due 1922-1951. (Guaranteeing Township of Carnarvon.)
33,000 Town of Georgetown. 6%. Due 1923-1942.
11,500 Village of Waterdown and E. Flamboro Schools. 5½%. Due 1934-1938.
8,600 Township of Etobicoke. 6%. Due 1922-1938.
6,505 Town of Gravenhurst. 6%. Due 1932-1936.
9,504 Township of Thorold. 5½%. Due 1923-1926.

EXECUTIVE:
Sir William Hearst, K.C., Chairman.
Sir John Willison, President
Sir David Watson, Director.
G. C. Lawrence, General Manager.

MUNICIPAL BANKERS CORPORATION
LIMITED
Government, Municipal and Mortgage Bonds
33-35 VICTORIA ST. TORONTO
Adel. 2900

DO you take off trial balances? Foolish question!

¶ But here's a question, pertinent and *not* foolish---Is your way as good as the Dalton way?

WITH the Dalton *Super Model,* you go through the ledgers *once,* and get this result---total debits, total credits and net debit balance.

¶ Let us emphasize the fact that you get this by going through the ledgers *once.*

THE Dalton *Super Model* is a figuring machine---not merely an adding machine. ¶ It adds, multiplies, subtracts, divides---and that's all you can do with figures.

¶ It will figure interest before you can find the page in the interest book.

Dalton
Division of United Typewriter Company, Limited, Toronto.
135 Victoria Street

We are ready to wager that without a Dalton *Super* you are consuming time (money) which would buy this figure-worker. Think of having such a helper paying his own salary. And that's not foolish!

HIS MARK

THE FINANCIAL POST

Members of the Audit Bureau of Circulation

President - - - - - - JOHN BAYNE MACLEAN
Vice-President - - - - - - - HORACE T. HUNTER
Manager - - - - - - - - GORDON RUTLEDGE
Editor - - - - - - - - - - J. W. TYSON

A weekly newspaper, presenting in a popular manner reliable information respecting investments and financial affairs in Canada.

No paid advertising, other than annual reports or official notices of corporations, will be inserted in the news columns unless marked "Advertisement."

Advertising matter is investigated before publication, and none of known questionable character is accepted. Acceptance of advertising will not deter the editorial department from making such comments as the situation may suggest.

No material from news bureau sources submitted for editorial purposes will be published, and no such bureau or individual should be paid any consideration or given any credit for the insertion or inspiration of any item

ADVERTISING RATES:

Single insertion .... $ 2.80 per inch

Financial Reports, Debenture Notices, etc., 20c per agate line

SUBSCRIPTION PRICE:

Canada, the United States and Mexico ... $5.00 per annum
Great Britain, Ireland, and Colonies having minimum postal rates .... £1 1s. 0d.
France and other Countries .... £1 7s. 6d.

Subscribers are especially requested to report and instance of delay or non-delivery of THE POST.

PUBLISHED BY
THE MACLEAN PUBLISHING COMPANY, LTD.
143-153 University Avenue, Toronto

MONTREAL, Southam Building, 128 Bleury Street, M. Foster; WINNIPEG, 901 Confederation Life Bldg., W. A. Dover; VANCOUVER, 314 Carter- Cotton Building, Roy Hunter; BOSTON, 734 Old South Building, C. L. Morton; NEW YORK, Room 1606, St. James Building, 1133 Broadway (corner 26th Street), A. R. Lowe; CHICAGO, 403 Transportation Building; CLEVELAND, 1261 East 99th St., W. L. Gifford; GREAT BRITAIN—London, The MacLean Co. of Great Britain, Ltd., 88 Fleet St., E.C., E. J. Dodd, Director.

TORONTO, JANUARY 27, 1922.

ANOTHER GOVERNMENT BANK

THE PROPOSAL for the establishment of a government bank in Alberta as debated before the United Farmers of Alberta in convention at **Calgary is just** another example of the unsound economic theories which are being so generally bandied about now-a-days. The idea that the solution of the depression now prevailing lies merely in the creation of more money and that the simplest method of so doing it is to tune up the government printing presses would be smiled at in ordinary times, but under the unsettled conditions now prevailing cannot be lightly dismissed especially when, as in Alberta, there is a class organization which is endeavoring to dictate to the government. And the Merchants Bank affair unfortunatey has done much to undermine the public confidence in our banking system.

The Alberta scheme is clever. It is not proposed to depart from the conditions of the present bank act, but to take out a charter under the federal legislation. However, the government of Alberta would take up the bulk of the stock. Full advantage of the act would be taken to create paper money and there would no doubt be a feverish rush for loans which the people would demand from a government bank, even though their credit with the well conducted private institutions had been exhausted.

There are certain conditions of the bank act, however, which would have to be observed. In the first place the charter can only be secured after a certain amount of capital has been subscribed and actually paid up. This would mean that the government would have to borrow the money it invested in the new bank and private shareholders would have to do likewise. Then supposing the project were successfully launched there would be many difficulties in the way of making it pay. Experience has shown that people do not particularly take to the idea of depositing their funds with the government. Further it has been shown that people expect loans from government institutions on terms which would not be regarded as sound by well conducted private concerns. If the outcome was that the bank lost money of course the government, as owner of the bulk of the stock would be the loser and would have to face the proposition of double liability under the Bank Act.

Under the circumstances it would be a far more practical measure of relief for the Alberta farmers if the province used its credit to guarantee loans through the established loaning agencies, which have kept closely in touch with conditions, than to borrow actual cash to buy stock in a bank which would involve double liability in the event of failure.

DRAFT FOR FINANCIAL POST

S. R. PARSONS, ex-president of the Canadian Manufacturers Association, is very pessimistic about the future of Great Britain—"once the leader of the industrial world," as he points out. He has just returned from Europe where he represented the C. M. A. at the World Labor Congress in Switzerland. Addressing the Ontario Division of the Association, newspapers report him as saying:

"I do not know what is going to become of Great Britain. I don't want to be pessimistic.........I really don't know what is going to happen. I have misgivings as to her future."

THE FINANCIAL POST can find nothing whatever to justify Mr. Parson's fears for the immediate decline and fall of the British Empire. On the contrary, our latest information is not discouraging. The same day as Mr. Parson's gloomy predictions were appearing in the Canadian papers we received a letter from a leading English manufacturer interested in several large plants doing a world-wide trade—G. P. Hargreaves, Hull, England—in which he says:

"There is certainly a much more hopeful feeling in evidence in this country . . . . The outlook is more pleasing than for many a long day."

That the British investors are ignorant of their impending doom, as Mr. Parsons sees it, is clearly evidenced by two examples: The City of Bristol needed **£1,000,000** for docks, sanitary works and schools; and **applications** came in for £20,000,000. Writing the 10th of January, our London Office says: "The County of Lanark yesterday asked for £2,500,000 for housing schemes and gas works development. One of the brokers informs me that applications so far were over £40,000,000."

Here are some other facts about the British situation, which Mr. Parsons seems to have overlooked. In 1921, (excluding United Kingdom Government loans), £216,000,000 of new capital issues were made—a larger amount than in any pre-war year with the exception of 1913. Of this 51% was for overseas investment, against 15% in 1920 and 21% in 1918. Pre-war annual issues averaged about 75% for overseas purposes. For **Mr. Parson's information it may be pointed out that overseas investments create overseas trade and the recovery, since the armistice, to 51% in 1921 for overseas investment, does not look like a sign of the financial doom which Mr. Parsons fears for our great Empire.**

Cabling to the London "Times" from Ceylon, January 2, 1922, Lord Northcliffe on his tour round the world said: "Germany may not have money for reparations but she is expending immense resources in propaganda by daily wireless from Berlin by subsidized newspapers and by film. This consists largely of misleading statements and actual lies about ...... AND THE GLOOMY CONDITION OF BRITISH TRADE." Lord Northcliffe said he considered this German wireless and other propaganda to be as dangerous to-day as during the war.

But is it fair to the mother country, making a splendid recovery after a struggle with death, that the C. M. A. should be used as an endorsement of the pessimistic falsehoods spread by her bitterest enemies. Canadians who may be feeling depressed by the C. M. A. address and need **"jacking up," should read General Mitchell's splendid speech at the Empire Club on the same day. The General was our Chief Intelligence Officer in France and Italy. No man in Canada knows more of the ways of propaganda.**

COMPARING THE CITIES

IF, AS The Toronto Globe argues, Toronto uses more **power per capita than Buffalo because of cheaper** service, then **the fact that the consumption is even greater in Montreal than Toronto would seem to effectively settle** the argument as to which city has the cheaper power. **And yet in the face of this The Globe contends that rates in Toronto would be higher were it not for public ownership and that there would be increases in the near future** were it not for Chippawa.

As a matter of fact **Chippawa** will not prevent increases in **power rates in Ontario in the near future** but will be the cause of them; **power from that extravagant** undertaking cannot be supplied **on a sound basis** at anything like the **prevailing** charges. **This** can be readily understood by anyone **who will do** a little simple arithmetic with the figures of cost. But then, of course, one can hardly expect the public ownership enthusiasts to spoil their very fine theories by the application of mathematics.

BEWARE GROUCHES IN BUILDING INDUSTRY

THE NEW Minister of Labor, Mr. Murdock, **creates** more confidence in his **judgment since he became** minister than did his remarks and criticisms before he entered the cabinet.

One of his first announcements is his desire to bring about an understanding in the building trades so that there may not be any **interference** with a **prompt** resumption of work **immediately the spring opens.** Even now arrangements may be **too late for the coming** season's business. It is perhaps difficult for the average wage-earner to appreciate that in most businesses financial and other arrangements must be made at least one or two years **in advance of the actual work itself.** In building a man begins planning perhaps 10 years before he lets contracts. A good deal of space was given to building in these columns a year ago in the hope that builders and unions would understand the situation and come to terms. But **short-sighted agitators** on both sides overcame the wiser counselors.

Mr. Murdock will find—and no doubt with his long experience he already knows—**that the real trouble is not as a rule with the leaders in the building trades union** or among the contractors or among rank or file. He will find that agreements are hampered or prevented mainly by a few agitators on both sides but particularly in the unions.

As we have often said, we not only believe in trade unionism, but the great mass of trade unionists are themselves intelligent, reasonable and fair, and if allowed to act as a result of their own personal opinion and investigations, settlements could be quickly made and they would render satisfactory service when at work. But there are in every section of society men and women with a grouch. Grouches are due to chronic discontent, jealousy or a distorted mind. They are more numerous in small church circles than in trade unions. The Bible refers to some of them as backbiters. Many of them perform a very useful function in society. Useful because they prevent us from becoming self-satisfied; they keep us out of ruts. But in times like these they are a menace. Mr. Murdock will no doubt keep this thought in mind. He and the builders and the Unionists should be guided not by the professional agitators like the Ganders, MacDonalds and Simpsons, but by the Doggets, Marshes, Vicks and Gunns.

If one may judge from numerous public utterances and reports appearing in the newspapers, we are in for a big building programme. It is cruel to spread such stories. We can find no tangible evidence for optimism. On the other hand, if costs and **wages are** not materially reduced the volume of building in 1921 will go much below last year.

EDITORIAL NOTES

"THE LESS GOVERNMENTS interfere with trade the better for trade and governments," says Lloyd George. However, there is considerable to be accomplished by a properly organized department of trade and commerce without interfering with trade.

* * *

IN 1917 HON. R. B. BENNETT, M. P., who was appointed to organize Canada for the war, said that there were over a thousand unnecessary employes in the Civil Service who were fit to go overseas. If there were that many then, what must there be to-day? Several millions annually could be saved in the Civil Service salaries alone. Griffenhagen showed the way.

* * *

WHEN PEOPLE TALK of speeding up the government printing presses to relieve the present financial depression they should not forget Russia where so much money was printed that on a commercial basis it was actually worth less than the white paper which had been consumed in the process of manufacture.

* * *

THE STRENUOUS objections raised against the net profits tax upon business concerns in Manitoba **seem to** have had their effect. These taxes, in addition to **federal** levies, placed a very serious handicap upon business **and** financial institutions—**particularly loaning organizations which must compete with a tax-free, government-financed banking system. They will now be abolished and an extention of the federal taxes in personal incomes is pro**posed.

Need Of Tax Revision To Bring Prosperity

By OTTO H. KAHN.

Arguments advanced in an open letter to U. S. Senator Lenroot.

Permit me to point out, at the outset, that, from the merely selfish standpoint, the man of means need have little quarrel with the existing schedule of surtaxes. If he chooses to avail himself of the lawful opportunities at hand, he can invest a greater or less portion and, in some cases, all of his capital in tax-exempt securities at an attractive rate of interest, and, to the extent that he does so, the income tax and surtaxes will cease to trouble him.

In making free to address to you the following observations, I am actuated by the conviction that an adequate reduction of our extreme surtaxes is among the things indispensably requisite to restore the economic equilibrium and the prosperity of our country.

Working Capital Penalised

1. The higher brackets of the surtaxes have ceased to be productive. They have, in fact, largely abolished themselves, but in the wrong way. To the extent that they are collected, they penalize the working capitalist, the man engaged in enterprise and active business as against the idle capitalist. They have produced less and less, year by year. According to the last published figures, they produced but one-third approximately of what they produced in their first year and for the present year they will unquestionably produce still less. Quite apart from the simple way of avoidance, through investment in tax-exempt securities, they challenge the ingenuity of those subjected to them, to find means of escape from their rigor, as every extreme statute does. It is human nature that men will resort to any legitimate means of defence against unreasonable exaction. I have personally no doubt that surtaxes which (including the normal tax) do not claim more than, say, as a maximum, one-third of a person's income, will produce a larger revenue than the present rates which claim up to nearly three-quarters of a person's income. Our extreme surtaxes have all the ill effect of a measure which hampers and deters enterprise, drives funds into tax-exempt securities or into hiding and interferes with the free flow of capital, without even having the advantage of producing anything like commensurate revenue. They are one of the most perfect demonstrations of the perverse workings of an unwise and economically unsound law.

No Money For Enterprise

2. Why is it that in the face of unprecedented gold reserves and of a long-continued process of commercial liquidation, which should have brought about a commensurate easing in the price of capital, investment funds can only be obtained at rates without a parallel in a generation and longer? Why is there no money available for mortgages and building operations? Why, with the proverbial energy and push of our people, has new enterprise come to a standstill? Why is the man who asks for funds for the financing of a proposition, in itself attractive and sound and promising, met with the response: "Not now"? Why does America, coming out of the war with her strength practically undiminished and her relative position among nations greatly enhanced, fail to exploit the opportunities at her hand?

The principal direct single cause is clumsy and destructive taxation, which has violently interfered with the normal flow of capital, has prevented the accumulation of funds necessary for industry and enterprise, has appropriated the cash reserves needed for the conduct of business and has largely removed the stimulus of reward. If the rules of a game are that one party takes upon itself all the risk of loss, all the care, worry, venturing and effort and the other party takes the bulk of eventual winnings, in the shape of surtaxes, excess profits taxes and inheritance taxes, the inevitable result will be that the former party will at least reach the conclusion that the odds are too heavy against it and will abstain from playing.

Extreme Taxes Kill Prosperity

3. I have heard it said, in response to arguments on the lines of the foregoing, that after all, what is effected by our high surtaxes and similar taxes, is simply a dislocation or redistribution of money and nothing more. The money taken by these taxes, it is said, does not vanish. It is merely taken out of the bulging pockets of the rich and put into general circulation again through being expended by the Government.

That has a plausible sound, but it overlooks two vital considerations:—First, money in the hands of the Government cannot possibly be anywhere near as productive and fructifying and active as in the hands of individuals. There are many reasons for this all too well attested fact, one of them being that, unlike the individual, Government is not stimulated by the expectation of reward, nor deterred by the penalty of failure. Secondly, money is an instrument merely. It produces different results according to how and by whom it is used. Much the largest part of the nation's liquid capital is owned by those of small and moderate means, either in the shape of direct investments or through deposits in savings banks or with life insurance and kindred institutions. But the funds so held are not, generally speaking, and ought not to be, available for starting and financing new and untried enterprises. The man of small means ought not, and as a general rule will not, and savings banks and life insurance concerns, etc., do not, and indeed under the law must not, place funds otherwise than in seasonal investments. The capital which can afford to take, has an incentive to take, ought to take and heretofore has taken, the risk of starting and financing new enterprise and doing the pioneer work of the country, is that relatively small percentage of the nation's total capital which is represented by the surplus funds of corporations and of well-to-do individuals. That is a most valuable function for the nation, and that function has been woefully crippled by the existing surtaxes, both because they have prevented the accumulation of capital and because they have taken away the incentive to venturing and risk-taking. The source of the supply of funds for pioneering and for developing the country has run dry under the withering action of those taxes. It will so continue until surtaxes are reduced to an adequate extent.

Damaging Application

4. The formula: "Taxation according to ability to pay," has a close spiritual relationship to the Wilsonian formula of "self-determination." Both are right in theory, but both must be applied within the rule of reason and with that discrimination which takes account of practical effects and consequences, else they are bound to become mischievous and breeders of great harm, as indeed they have become. I can think of few greater disservices rendered to those who were meant to be benefited, than our taxation policy based upon the doctrine of "ability to pay." The common man may have been saved a few dollars a year in taxes, ostensibly, but he has been disadvantaged by many times a few dollars in the way of taxes passed on to him in added costs and in the way of bad times and unemployment.

In faulty taxation and its result in throwing the economic equilibrium of the country out of gear and putting barriers across the old-established routes of trade and industry, must be found one of the main explanations for that stagnation and depression which keeps millions of men idle. In the all-pervasive effects of faulty taxation must be found one of the reasons for the maladjustment which causes inordinately low prices for the things the farmer produces while at the same time enhancing the costs of the things he buys.

I am engaged in the business of financing enterprise, and I know from personal experience how continuously projects, the execution of which would aid in turning the wheels of industry and creating employment, are running up against the impediments of taxation and are broken by them and discarded.

Surtaxes Highest in World

5. The man of small or moderate means is taxed far less in this country than in any of the leading nations of Europe. That is as it should be, because the sum total to be raised by taxation for our governmental needs is moderate, in comparison with what it is in the principal European countries, relative to our wealth and population and theirs. But our federal surtaxes rise to rates higher than exist in the tax schedules of any other nation, and that without taking into account State income taxes, which are unknown in Europe. It cannot be supposed that European peoples have particular tenderness for rich men, any more than we have, or that in the extremity of their needs they would hesitate to go the limit in exacting contributions from wealth. But these nations have larger and longer experience in these matters of governmental economics than we have and they have learned that there is a limit beyond which direct taxation cannot go without consequences both damaging to national revenue and dangerous to national well-being. Even if our highest surtax-rate is reduced to 32 per cent., it will still be in excess of the highest surtax rate in most European countries.

Riding a Good Horse to Death

6. For many years, prior to the war, America's development proceeded by leaps and bounds and the people prospered under a scheme of taxation which had been in vogue practically since the beginning of the Federal Government and which sat so lightly on everybody that the subject of taxation was one of but slight general concern. In the recent past, by constitutional amendment, we introduced into our tax system the principle of the progressive income tax, which I wholly approve. But to raise direct taxation, as we have done, at one fell swoop, from a small fraction, as heretofore, to practically 80 per cent. of our total revenue, means riding a good horse to death. There is really no difficulty in providing the three and a quarter billion dollars which the Government requires in taxes, without causing a continuance of those tribulations which now weigh upon all the people, although they were meant and mistakenly expected to weigh upon a small minority only. But to accomplish this task, we must be willing to recognise the facts which experience, both with us and in other countries, has demonstrated unmistakably, and to act accordingly.

The whole theory never applied heretofore either in this country or elsewhere, of piling on huge taxes at the top in the expectation that they would not percolate downward, is a fallacy which has been proved such by the actual test of the last few years and will, I am convinced, be found not to be reconcilable with the social, economic and governmental conceptions of this or any other country, the institutions of which are based upon the system of individual enterprise as contrasted with the socialist or semi-socialist theory of cvilisation and government.

There is bi-partisan testimony from the highest quarters to the effect that the extreme brackets of our surtaxes have ceased to be productive, are harmful in effect and should be adequately reduced. Former President Wilson has so stated. So have three Democratic Secretaries of the Treasury, viz.: Messrs. McAdoo, Glass and Houston. So has the former Under-Secretary of the Treasury, Mr. Leffingwell, a Republican. So has the present Secretary, Mr. Mellon. So have most eminent economic experts. A reduction of the highest surtax bracket to 32 per cent., which, with the adidton of the normal tax, means income taxation at the rate of little short of 40 per cent., to which must be added State County and Municipal taxation, cannot be considered in times of peace as erring on the side of excessive leniency.

Relief for Unemployment

7. The road to the relief of unemployment and an improvement in the plight of the farmer lies, among other things, along a system of taxation which seeks to promote industry rather than lame and retard it. I realise fully, and deplore, the situation in which the farmer in this country finds himself. It is a situation which has been created by no fault of his, but it is a situation from which he cannot escape by narrow or sectional devices. The greatest aid which the farmer can exert on his own behalf is to take a helpful attitude toward industry and insist upon his representatives in Congress giving effect to this enlightened point of view. In so far as a revival of manufacturing and productive industry generally is made possible, will there be created that purchasing and consuming power upon which the farmer must depend to sell the commodities which he produces. It is, largely, because purchasing and consuming power is so greatly reduced that the farmer's plight has been rendered so grave. What he needs most is to restore that purchasing and consuming power on the part of the people at large to whom he must sell his products, and nothing can contribute more effectively, in this country, to the attainment of that consummation, than a sound and broadminded revision of our tax laws. And may I venture to add that revision along the lines now being urged upon the Senate Finance Committee will be fatal to accomplishing the needs which, while they are of importance to the well-to-do, are of infinitely more vital consequence to the farmer whose markets have crumbled and to the workingman whose jobs have disappeared.

Huge Exodus of Capital

8. Lastly, and it seems to me, conclusively, there are at present over fifteen billion dollars of tax-exempt securities available and more are coming out almost daily. In the first eight months of this year approximately seven hundred million dollars of such securities have come upon the market; in the month of August alone, one hundred million dollars. True there is a movement on foot to have a constitutional amendment adopted which will prevent henceforth the issue of tax-exempt securities. But such an amendment would relate to future issues only, and moreover, can't be ratified and become effective for several years. By that time, the aggregate of tax-exempt securities outstanding will have become so vast that for immediate revenue purposes the prohibition of future issues will have little more effect than locking the stable door after the horse has escaped.

There is but one effective way of stopping the huge exodus which has been going on, and continues ever-increasingly to go on, of capital into the haven of tax-exempt securities, and that is so to reduce surtaxes as to remove the immensity of the advantage now offered by such securities.

Sound Legislation Needed

9. What is of vital concern to the average man and woman, as distinguished from agitators and vociferous "spokesmen," is not whether the surtaxes are 20, 30, 40 or 50 per cent., but whether the actions of the party in power will, in effect, retard or promote the return of good times and abundant employment. It is my business to keep track of the currents which determine the trend of affairs, and I speak from practical knowledge when I say that good times and abundant employment cannot return as long as enterprise is lamed and the natural flow of capital deflected by oppressive and exorbitant taxation.

PERSONALS

W. M. KNAPP, who has been sales manager of the Federal Finance Corporation, and G. S. **Winder**, also of the sales department of the same firm, have resigned and have formed a partnership under the firm name of Knapp, Winder & Co., to conduct an investment and security business in Toronto.

W. J. RALPH, of Winnipeg, has been appointed manager of the stock and bond department of the Wm. E. Reid Co. of that city. This company has acquired the direct wire of the James E. Bennett & Co., members of the New York Stock Exchange, and will specialize in high-class stocks and bonds.

HON. GEORGE E. AMYOT the new president of the Banque Nationale is well and favorably known in business circles in Quebec City he is president of the Dominion Corset Company and of other enterprises, a former president of the Guebec City Board of Trade and also a ex-chairman of the Quebec branch of the Canadian **Manufacturers** Association, as well as member of the **Legislative Council** of the **Province** and of the **Board of** Governors of Laval University.

Hold Your Share

Victory Bonds bought or held now, in addition to affording the investor the maximum of security, will enable the holder to participate in the increasing market values which are certain throughout the coming years.

The present valuation of Victory Bonds aggregates $100,000,000 over the valuation of a year ago. This we regard as only the beginning of the general rise in bond values.

The yields today range from 5 to 6%; the yield on Government Bonds was, before the war, normally around 4 to 4½%. The approach to these yields must inevitably mean a further very substantial appreciation.

Are you holding as much as you should of this premier security? It is impossible to suggest a better investment.

We have every facility for handling War Loan business. Your orders will receive our best attention

A. E. AMES & CO.

Investment Securities.

UNION BANK BLDG. . . . TORONTO
TRANSPORTATION BLDG. MONTREAL
74 BROADWAY . . . . NEW YORK
BELMONT HOUSE . VICTORIA, B.C.
HARRIS TRUST BLDG. . . CHICAGO

Established 1889.

INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

BONDS TO HOLD

D.W., Saskatchewan.—I would be greatly obliged if you would kindly give me your opinion of the following: 5% War Loan, Great Britain, 1929-1947; tax sales certificates 6%, Province of Saskatchewan, 1936.

We would not advise you to sell either your British war loan or Saskatchewan bonds. The former will probably bring several points more in a year or 18 months than it will bring now. The Saskatchewans will advance with the market.

C. P. R. COMMON

H. D. B., British Columbia.—I would very much appreciate being given your opinion as to the general outlook for C.P.R. common. I own fifty shares of this stock which has averaged me a little above the present market value. Would you advise it as a good policy to hold the stock?

We advise you to hold your C.P.R. stock as an investment for we feel certain that your dividend of 10 per cent. is assured and that in addition the price of the stock should show a considerable appreciation within the next few years. When general business conditions improve the net earnings of the company should advance steadily, and generally speaking a company like this that came through the very difficult position of the past four or five years with its dividends unimpaired and a surplus every year, should have good times in store for it. In addition to its railway property it also has a very valuable asset in its western lands.

DEBENTURE COMPANY

F. W., Guelph.—Is the purchase of capital stock in the Debenture Company of Canada a good investment?

Our inquiries indicate that the company is sound. L. B. a reputable Regina barrister is president of the company which deals only in tax sale certificates, a security ranking ahead of mortgages, liens, etc. The business is regarded legitimate and productive with a margin of safety which seems satisfactory. Earning capacity may be gauged only by volume of business and the company is still operating in a fairly small way. All tax sale certificates bear a 10% yield per annum no matter if redeemed in one month or one year from date of sale. Stock is being sold on the basis of $115 for a $100 share. Auditors' statement indicates that regular dividends at the rate of 8¾% on capital have been paid. The company has substantial offices and the management appears to be an economical one. Only a comparatively small amount of property has reverted to the company because of failure to redeem certificates by the original owners. However, it would seem that acquisiton of property by this means should prove highly profitable. The two and a half year period during which certificates must be redeemed as required by law insures a fair liquid condition and rapid turnover of capital.

WAYAGAMACK AND SPANISH

Reader, Saskatchewan.—Would like your opinion of Wayagamack 6's bought at 76; Spanish River 8's bought at 99.

Your two paper bonds may as well be held. Paper companies are settling down to saner conditions. Spanish River is strong and growing stronger and its 8% bonds may eventually be very attractive. Wayagamack is weaker but you have bought at about the right price.

CANADA CEMENT COMMON

S. Fonthill, Ont.—Please advise me regarding the advisability of holding Cement common bought at 60.

An article in last week's issue will cover in the main your inquiry. This states that the earnings of the company for 1921 will run about the same as in 1920, and that these will not be sufficient to meet the regular dividend of 6 per cent. On the other hand the building of the new ten-storey office building may be taken to imply that the company's working capital is in a satisfactory condition, otherwise this outside expenditure would not likely have been made. The general impression, therefore, is that the common dividend will be continued if there is any likelihood of a gradual improvement in the demand for the company's product. We would advise you to hold your stock for some time to come.

RIORDON FIRST PREFERRED

Subscriber, Fonthill, Ont.—Will there be anything for the first preference shares of Riordon Company?

The ultimate return for the holders of Riordon securities is quite uncertain at the present time. We feel that even with a run of favorable conditions there must be some re-organization of the company that may mean a reduction in the number of preferred shares or an exchange possibly for common stock. The stock, however, is so low that one feels like holding on to it to see what the outcome will be. The bank indebtedness is being gradually reduced through the manufacture of pulpwood on hand and in this respect the company's position is improving. The meeting of the bond interest on December 31 on the first mortgage bonds of the Riordon Pulp & Paper Company has prevented any action being taken on behalf of the bond holders to bring about a liquidation of the company. We will continue to keep you in touch with developments through the columns of THE FINANCIAL POST.

STEAMSHIPS PREFERRED

B., Toronto.—I hold quite a bit of that ill-fated Canada Steamships Preferred, bought at the rosy period when the "merger" was considered a certainty. Recently when it slumped so badly I let it go in the forties. The opinion of the brokers here was so unfavorable to its investment value that we took a heavy loss. I want to reinvest the proceeds. Do you advise buying back Steamships preferred?

Negotiations are going on at the present time in an effort to have some bond houses underwrite the issue of $6,000,000 of bonds of the Company which were offered some months ago, but the majority of which still remain unsold. The reasons generally assigned for the comparative lack of response to this issue are, first, that it gives only a 7 per cent. yield which is considered a little low, and secondly, lack of confidence, fairly widespread, in regard to the management of the company. Not so much a lack of skill on the part of those operating it, as that there is a belief in many quarters that some of the directors have made profits out of numerous purchases of vessels by the company in which they themselves had a share and when incidents of this kind are multiplied there is bound to be a feeling among many who otherwise might support the company, that private interests might be more powerful in determining the price of purchase than the interests of the Company and the shareholders at large. It would appear that some step must be taken very shortly, probably by reorganizing the Board to recreate public confidence, or the securities will continue to suffer as they have for some years past. If the new financing is successful the preferred dividend seems reasonably certain; if it is not we do not see how, with depleted working capital, the company can continue its preferred dividends. It was this doubt in the minds of the investigating public that led to the recent slump in Steamships preferred to several points below $40 a share and this doubt is holding down the price of the preferred at present to a point where it apparently gives a yield of some 15 per cent., a result that indicates an inherent weakness from the general investment standpoint. We could not under the circumstances advise you to buy back your Steamships stock until the new financing is more assured and steps are taken to rehabilitate the company in the estimation of the public.

Buy 8% Coupon Bonds Now

The down-swing in money rates has made issues of 8% bonds by prominent Canadian corporations a thing of the past. New corporation financing will be by means of 7%, or even 6%, bonds.

This means that 8% bonds already issued should rise to over par. That is why we urge purchase of 8% coupon bonds while they are still available at par or under.

The current issue of *Investment Items* describes two attractive 8% issues. Write for a copy.

Royal Securities
CORPORATION
LIMITED
MONTREAL
Toronto Halifax St. John Winnipeg
Vancouver New York London, Eng

Glints of Sunlight Through The Clouds of Hard Times

Situation Must be Faced With Courage—Both Farmers and Financiers Have to Deal With the Real Facts of Deflation—Saving the Situation in Western Canada

By AGNES C. LAUT.

It is not slamming Canada to acknowledge frankly the farmers of the West are having hard times—the hardest times in the memory of the present young generation; and if misery loves company, the farmers South of the boundary are having just as hard times. Between Duluth and the American Rockies, over sixty banks have had to be wound up within the past half year. Some have failed. Some have been "carried" by the stronger banks, and some have gone out and acquired fresh, stronger securities from the wholesalers and jobbers and implement people and farmers, on which they can liquidate when better times return. If the credits had been forced, these sixty banks would have had to close down utterly. I have this fact from the accountant who was sent out last September to salvage the wreckages.

But the fact that the American West is having as hard times as the Canadian West does not sign checks, nor pay long overdue bills, does not buy stockings and boots for the women and children, who haven't any now. It does not restore land values that have skidded down from $100 and $60 an acre to $22, or below, with no buyers at any price.

And it is a pretty harsh piece of smugness to wash your hands and say it serves the West right for over expanding in the years of high war prices. The farmers over-expanded in the war because they were told that was the way to win the war—they must increase production at any cost, and the banks and the wholesalers and the jobbers gave them the credit to over-expand and literally pasted the country post offices and rail stations and bill boards with flaming posters urging greater production, which mean over-expansion; and when the drought caught extended credits one year, credit was extended for another gamble the next year; and so on, for four years, till every one was in too deep for more expansion, when down smashed the finishing blow in collapsed exchange in Europe and collapsed buying power in Europe.

In United States Too

I am trying to make this clear because conditions are equally deplorable on both sides of the Boundary, and from identically the same causes; and it is embittering the farmers and solidifying and sharpening their antagonism to the finacial interests of the East, that certain factors in the East are now saying: "Serve the blow-hard West right! Let them put away reserves in future against hard years, that are sure to come in cycles." This argument regards the Western Farmer movement as a phase of the old Populist follies. It isn't. The modern movement is born of desperation—hunger and debt and a blank wall of impassables across the forward path; and Ford cars and rural 'phones have unified the Farm movement as it has never been unified before. As the Secretary of Agriculture says frankly, when Europe is starving for our beef and wheat and oats and hides and wool, and the American farmer has to kill his sheep and cattle because he cannot sell them at any price, and has to burn his corn and oats because the price received does not pay the freight let alone the cost of producing, our complex of distribution and transportation have failed. They have fallen down. And if the West collapses, it will pull the East down with it. All the abuse hurled at the Farm Movement will not modify that fact.

I asked the accountant, who had been sent out on these sixty or more semi-bankrupt cases in the Western States, what the attitude of the Farm mind was on the problem. He answered, perfectly detached, because it was his business to be detached, "Revolution." No, not a blood-revolution, but a complete over-throw of our present system. Now I am afraid of complete overthrows; as I have seen one at horribly close range in Mexico; and the last state of that nation is worse than the first. The people are to-day starving and food products are being imported free of duty because they are starving. I do not quote Russia, because I have not seen it; but I do know they are starving there and the world is sending Russia food free because they are starving.

Restore Land Values

Now come back to the Canadian West. We have not had sixty banks fail; but every wholesaler and jobber and implement company and bank knows that collections on last year's debts ranged from 10 to 13%. Insurance and mortgage companies did better, because these claims are first claims and a life-line in weltering financial seas.

The fact remains Canadian land values have to be restored to the face value of the claims against them, or our boasted securities collapse; and when you say this the answer comes —How?

How bring in more land settlers, if the settlers now here can't finance? Would not that precipitate the feared Revolutions? We can extend no more credit to care for settlers, who don't succeed. Please emphasize—don't succeed.

There is Western Canada's first problem.

Export markets and lowered overhead costs, I'll take up later.

There is no use saying "There is a lion in the way. We can't do a thing." Our job is to get out and get the lion out of the way; and we have to do a lot of things—or get smashed; and I don't like smashes. The casualty list is too great

In the first place, farmers and financiers will have to forget the old days of easy money. Those days are passed for 20 years. Our job now is a roof over our heads, clothes to wear, food to eat and security from fear of want. Increased taxes have taught financiers that homely lesson. Drought and collapse of markets have taught the farmers the same bitter lesson.

(Concluded next week)

CURRENT OPINIONS

GUINEA-PIGS

(Kingston Standard)

In Great Britain there used to be a class of company directors, and there may be now, who were called and known as "guinea-pigs" because they became directors of a great many companies for the apparent reason of gathering in the guineas which each attendance at a Board meeting entitled them to. A glance at a book published called the Directory of Directors very clearly showed that it was utterly impossible for some of them to direct in a responsible way, and with a proper knowledge of affairs, the companies on the Boards of which they were. The nick-name is sufficient to prove that the public thought so, too. But being on so many Boards, they were used by company promoters as bait for unwary investors.

Recent events prove that it might fairly be asked whether there is not some danger of guinea-pigs being produced in Canada. The demand is heard that there should be directors who direct—and it may be added auditors who audit. The Hamilton Herald recently had some very sensible remarks on the subject as follows: "How many financial and fiduciary institutions, founded upon public confidence, have among their directors men who do not direct and have no thought of directing? One reads their names in the lists of directors—men of title often, men occupying high public positions, men of high social standing. The names are of value to the institution, for they enhance public respect for it and strengthen public confidence in it; but the use of their names is their chief value to the institution which they are supposed to serve. They give little or no actual service. They are ornamental directors."

This bears out what we have said about the British "guinea-pigs"; their chief value is the "use of their names." And most people will agree with The Herald in thinking that this system is "not an honorable one, scarcely honest even, as it is designed to fool the public." The sooner Canadians put a stop to the propagation of this species of 'guinea-pigs," which may evolve into "hogs," the better.

We Own and Offer

$60,000
Verdun School
(Protestant)
6's
Nov. 1, 1931
To Yield 5.80%

Particulars on request

Greenshields & Co.
INVESTMENT SECURITIES
Montreal: 17 St. John Street
Toronto: 14 King Street East
Ottawa: Central Chambers

City of Windsor, Ont.

5½% and 6% Bonds. Due 1st Dec., 1922-41
Denominations: $1,000 and odd amounts
Choice of twenty maturities

In view of the pronounced shortage of high-grade municipal bonds, this offering of Windsor bonds affords an excellent opportunity to select from a wide range of maturities.

Write for Particulars

Wood, Gundy & Company
Montreal
Winnipeg
36 King Street West
Toronto
New York
London, Eng.

"A Financial Courtship"

A little booklet which tells in an interesting way so simple in its language that a schoolgirl could understand it, all about investments of all kinds, bonds, mortgages and stocks.

Even to experienced investors this little story, woven into a charming romance, contains many valuable pointers on investments.

The booklet will be mailed free to any one on request.

Æmilius Jarvis & Co.
LIMITED
Jarvis Building
103 Bay Street.
Toronto, Canada.
ESTABLISHED 1891
[illegible]
London, E.C. [illegible]
Ottawa, Canada.
INVESTMENT BANKERS

Ten Reasons Why

the 8% Cumulative Preference Stock of English Electric Company of Canada, Limited, carrying with it a Bonus of 40% Common

CONSTITUTES A SOUND INVESTMENT

The Company has

1. The exclusive manufacturing and selling rights in perpetuity for Canada, together with all the designs, processes and patents at present in use, and any which may be acquired in the future, of the English Electric Company of Great Britain.
2. The co-operation of the research, engineering, contracting and sales departments of the British Company.
3. The privilege of exporting to the United States and Newfoundland
4. Favourable prices on all goods imported by the Canadian Company from the British Company.
5. The benefit of the Preferential Tariff.
6. Favourable Exchange Rates
7. The modern plant of the Canadian Crocker-Wheeler Company, Limited, a going concern—with its complete factory organizaton and Dominon-wide sales connection.
8. A widespread demand for its products. Illustrative of this—the Company has orders on its books warranting the increasing of its staff as rapidly as men can be secured.
9. Officers and Directors of unquestioned integrity and recognized ability.
10. Surplus earnings equivalent to practically three years' dividend requirements on the present issue.

This offering will stand the most thorough investigation.

Write for full particulars.

Canadian Debentures
Corporation
Limited
Established 1910
36 King st East TORONTO

Phone Adelaide 6956.

CITY OF BELLEVILLE
4% Bonds Maturing November 1, 1940
PRICE ON APPLICATION
HARRIS, FORBES & COMPANY
LIMITED
C. P. R. Building TORONTO
21 St. John Street MONTREAL

WE OWN AND OFFER:
PROVINCE of QUEBEC
5½% Bonds
Due 1st December 1936
Price on application.
United Financial Corporation Limited
14 King Street, East, TORONTO
MONTREAL OTTAWA LONDON, Eng.

OTIS & CO.
United States and Foreign Government Bonds
Municipal and Corporation Bonds
Preferred and Common Stocks
Foreign Exchange
Acceptances
CLEVELAND
New York Boston Detroit Cincinnati Columbus
Toledo Akron Youngstown Dayton Denver Colorado Springs

SIMONS, AGNEW & CO.
Stock Brokers
Members Standard Stock Exchange
304 McKinnon Bldg. Toronto
We solicit your business for cash or on a conservative marginal basis.

"Analysis of the F. N. Burt Co. LIMITED"
Just issued, will be sent gratis upon application.
JOHN STARK & Co.
ESTABLISHED 1870 MEMBERS Toronto Stock Exchange
ROYAL BANK BUILDING TORONTO

You *Must* Keep a Record of Your Bonds
It is essential that you have a constant record before you of the securities that you hold. The number of your Bonds, the date interest is due, maturity dates, etc.
To assist you, we have ready for distribution a leather-covered Bond register, just the thing to keep an accurate check on your holdings.
We will mail you one upon request.
MacKay & MacKay
Government and Municipal Bonds
C. P. R. Bldg. TORONTO

ENGLISH ELECTRIC COMPANY of CANADA
8%
CUMULATIVE PREFERRED SHARES
The Board of Directors is composed of men of outstanding prominence in their various spheres of business and finance, and the proposition has stood the test of the severest investigation from every angle. We can therefore recommend it as one of the soundest securities ever offered to the Canadian investor.
Price: $100 per share, with a 40% bonus of common stock.
A circular upon request.
HOUSSER WOOD AND COMPANY
INVESTMENT BANKERS
12 King St. East - Toronto

Offered subject to prior sale and change in price.
$50,000
Quebec's
Due Dec. 1, 1936
(Callable in Five Years)
Price: Par and Interest to yield 5½%
These are a "buy"
McLEOD, YOUNG, WEIR & Co.
INVESTMENT BANKERS
23 JORDAN ST. TORONTO

McDonagh, Somers & Co.
Government and Municipal Bonds
Dominion Bank Bldg.
TORONTO
Canada

SPECIALISTS
UNLISTED SECURITIES
BALFOUR, WHITE & CO.
Investment Bankers
136 St. James St., Montreal
6 Jordan St., Toronto

NEWS OF THE BOND MARKET

SHOULD CANADA RESTRICT POWERS OF LEGISLATURES

At Present Veto Only Constitutional Safeguard For Private Rights

BONDS AFFECTED

Public Opinion Is Now The Real Protection Behind Guarantees of Bonds

Of late constitutional authorities have been giving much attention to a subject that to ninety-nine per cent. of Canadians has never been the subject for serious consideration—the possibility of limiting the powers of provincial legislatures in regard to the violation of private rights.

To investors in bonds there is a real interest in this point. An article in the FINANCIAL POST a short while ago in which it was stated that the privy council had admitted the right of a provincial legislature to amend any statue on its books, even to the extent of abrogating its guarantee on bond issues came as a surprise to many investors—especially to investors in railway bonds guaranteed by the provinces—of which there are more than $215,000,000 outstanding. In replying to one investor who had expressed amazement that such a privilege existed for the provincial legislatures the FINANCIAL POST said:

"But there need be no cause for serious worry on your part that this right which is vested in our province is going to be used indiscriminately and in a manner that will militate against the interests of investors. The credit of any province that repudiated a guarantee in such a manner as to injure the position of any holder of securities which it had guaranteed would be forever tainted. It would be a suicidal policy. When an investor purchases the bonds of a province he is basing his faith in the investment on the credit of the province—that is on its honor and ability to pay and the same must apply to guaranteed bonds.

Is Danger Really Serious

A learned constitutional lawyer took exception to the reply. In his opinion the danger is serious.

At the last annual meeting of the Dominion Mortgage and Investments Association, R. B. Bennett, K. C., made this statement:

"The real functions of legislatures and of governments should not be lost sight of by our legislative authorities. We have a right to demand just and equitable laws aimed at the preservation of the sanctity of contracts, which is the basis of all justice. I would like to suggest there something that is not original with me, something which was in the mind of one of our governor-generals. He is now no more. I disclose no confidence when I mention the name of Lord Grey. He was a man who had no purpose to serve other than that of the state, no object other than that of the advancement of the interests of the people of the Dominion and of the Anglo-Saxon race. He thought that we could only accomplish the end that I have mentioned to you by amending our Constitution and adding some such provision as section 10 of the American Constitution, which provides that the State shall not pass any law impairing the obligation of contracts. No state in the Union can pass any law that impairs the obligation or sanctity of contracts.

"I believe that legislators in this country would be relieved of a great burden of responsibility and would be able to withstand the pressure that comes from that 'multiplicity of numbers,' if we had a provision in our Constitution such as that. I am satisfied that if we approached the subject in the right way we would be able to secure an amendment to our present Constitution which would make it impossible for an ex post facto law to be passed by any legislature or any Act which would impair the obligation or sanctity of contracts. After one hundred years' operation in the United States, that provision has been found to work out splendidly. State Legislatures have often been tempted to pass such laws, but the Constitution was there to make action impossible.

"With such an amendment to the Canadian Constitution, temptation to secure the passage of laws of that kind would be removed, and citizens would make their arrangements accordingly. After a study of constitutional cases in the United States, I am very strongly of the impression that this provision in the constitution has worked out to the great advantage of the American people as a whole. If you read the judgments of the courts of the United States you will realize how general is the regard in which this section is held."

Sir Clifford has publicly expressed similar opinions. The viewpoint of these men is that eventually constitutional limitations on the action of provincial legislatures in regard to bonds, guarantees and private rights will be necessary. Investors, especially in other countries, will not be satisfied with less security than is afforded to investors in the United States.

Sound Public Opinion

Apart from constitutional limitations there is but one other method of safeguard and that is in the creation of a sound public opinion. At present that is the only safeguard, but it may be frankly doubted if public opinion has been developed in every part of Canada to the end of safeguarding private rights. In some parts of Canada private rights have not been held in high regard by legislative bodies. Canadians would benefit ultimately, it is contended, by providing the constitutional safeguards in the way of an amendment to the British North America Act, more clearly defining the position of provincial legislatures with regard to such matters.

The governor-general still holds the power of vetoing provincial legislation but just how far this vote has ever been exercised in actual practice will be taken up in another article.

PLENTY OF MONEY FOR GOOD PURPOSES

"The Canadian people have saved their money and put it into the banks till we have resources to do anything we may undertake. There is no enterprise which the Canadian people may reasonably want to undertake that the financial resources in our own country will not be able to produce funds to finance. Go ahead and open up the St. Lawrence canals, and make Hamilton a seaport. Develop water power, and do not depend on the United States so much for coal. The only fear is that we will go and borrow money for things we really don't need."—J. H. Gundy at the Hamilton Advertisers' Club.

HOW IS COMPANY TO INVEST ITS SURPLUS?

Safety and Convertibility Should be Considered Even Before Yield

How should a limited company invest its reserve? This question was put to the FINANCIAL POST this week by a corporation earning substantial profits, out of which preferred dividends are regularly paid. The balance of the profits is put into a reserve. It is the intention to refrain from making disbursements on the common stock until the reserve has reached a definite proportion of the total capital outstanding.

As a first principle it should be stated that the company should buy government securities exclusively. D. I. McLeod, of McLeod, Young, Weir and Co., put it this way:

"A business corporation investing money realizes that it may at any time require the use of that money at very short notice. It realizes also that no risks whatever should be taken with the money; this precludes any attempt to use it for profit or gain beyond the ordinary investment return. Keeping these points in mind the first two factors that should be sought are: 1, Safety, and 2, Convertibility. Income yield should be a secondary consideration. Therefore government bonds should be bought. They have the highest degree of safety and are convertible into cash at short notice. They are, of course, the best collateral that can be presented at any bank."

If Victories rather than provincial bonds are chosen tax-free bonds should be bought. At present prices the yields on the various issues are as follows: 1933, 5.16 per cent.; 1934, 5.50 per cent. and 1937, 5.04 per cent. Deducting the income tax of 10 per cent. from the 1934 issues the net yields compare: 1933, 5.16 per cent.; 1934, 4.95 per cent. 5.104 per cent. Therefore the 1933 bonds would seem to be the best buy. The 1927 maturity might be considered, as it yields 5.23 per cent., but the amount outstanding is comparatively small and a large order is difficult to fill at any time.

This company at the present time is holding the 5 per cent. war loan bonds payable in the United States and due in 1937. An analysis of the present condition of the market would indicate that this issue should be sold. The American bond market is higher than it is in Canada. A second reason is that the general tendency of exchange will be such that the premium on the New York funds will eventually disappear—not necessarily immediately but in the course of time. The 1937 war loan bonds are on a yield basis of 4.90 per cent. at the present time.

A CHEAP RAILROAD

W. R. Russell, Canadian railroader, offers $100, smallest bid on record for railroad property, for Tennessee, Alabama & Georgia, according to the Wall Street Journal. Road owned by Sage estate is bankrupt with upset price of $100,000. Russell offers to double bid to keep 140-mile line from being scrapped.

STERLING BONDS MUST BE MET AT PAR, IS DECISION

If They Are Payable In Canada As Well As London

REGINA LOSES OUT

Judgment is Handed Down In Famous Case of Toronto General Trusts Versus Regina

After two years of discussion the legal position of holders of Regina sterling debentures has been established—at least for the present—by the Saskatchewan courts. The decision is in favor of the bondholders, reversing the contention of the city. If the case is appealed to the Supreme Court of Canada, definite decision will be deferred of course, but the bondholders have won the first round and are confident that their claim has received final recognition.

The Regina case first attracted widespread attention in January 1920. The city council, on the advice of its solicitor, decided to pay interest coupons on its sterling bonds at current rates of exchange rather than at the par rate of $4.86 to the pound. The bonds amounted to £710,904, and are expressed in terms of sterling. Each coupon attached to a bond was for £2. 10s. payable in Canada or London. When the pound sterling sunk to low levels the bonds came out to Canada in large quantities and the new Canadian holders expected and demanded $4.86 2/3 for each £1. But the Regina city solicitor construed the words to mean that each coupon was worth that amount of Canadian money which was in value equal to £2. 10s. of British funds. In January 1920 this would have been about $8.75 or $3.50 to £1. The value of the coupons, it was contended, fluctuated with the rate of exchange.

Asked Par For Sterling

The bondholders object to this ruling. They contended that the Canadian Currency Act provided that $4.86 2/3 of the currency of Canada should be the equivalent of £1 sterling. They demanded par of exchange for the coupons. Eventually the case came into the courts through the action of the Toronto General Trusts Corporation in bringing action against the city for the difference between the amount of interest paid by the city, and the amount that would have been paid under the contention of the bond holders.

The decision is of great importance as many other cities have issued bonds under similar terms. It will probably bring widespread approval in the East and in England. At the time the City of Regina established its policy such influential papers as the London "Times" voiced strenuous disapproval.

MATURITITIES OF BONDS

Sixty Millions of Canadian Bonds Maturing in U. S. A.

Approximate 1922 maturities of Canadian bonds held in the United States are as follows:

January	$ 6,000,000
February	16,481,000
March	382,000
April	2,490,000
May	3,799,000
June	5,139,000
July	9,482,000
August	1,923,000
September	852,000
October	430,000
November	8,465,000
December	6,200,000
Total	$61,743,000

SEARS, ROEBUCK LOSSES

Although Sears, Roebuck & Co., sold over $178,000,000 of merchandise in 1921, it lost money. Some estimates place 1921 loss as high as $10,000,000; in the first half of 1921 operating loss was $3,500,000.

In the event that losses incurred last year were $10,000,000 they exceeded by $2,500,000 the $7,564,374 profit and loss surplus shown at the close of 1920.

BOND MOVEMENTS OF THE WEEK

Latest Price Week Enging Jan. 24.

BONDS—	Int. Rate.	Due. Year.	Yield.	Range 1921. High.	Low.	Range 1922. High.	Low.	Ask.	Bid.	High.	Low.
Asbestos	5	1942	6.80	80	73	80½	80	80	..	80½	80
Bell Telephone	5	1925	6.65	93½	91¼	94½	94	—	93	94½	94¼
Can. Bread	6	1941	6.83	90½	82	91	88½	92	91¼	91	90
Can. Locomotive		1951	6.72	90	82	90⅝	..	..	88	90⅝	..
Can. Cement	6	1929	6.32	95	89	98	94	94	..	98	..
Dom. Coal	5	1940	5.58	92⅝	86	93⅛	..	..	91	93⅛	..
Dom. Iron	5	1929	7.70	83	75	84	83	..	82	84	83¼
Dom. Textile	6	1925	6.14	98	92	92½	98	..	99½	99½	..
Montreal Power	4½	1932	5.94	88	88	92	88½	..	90	88½	..
Montreal Trams	5	1941	5.93	90½	82¼	89	..	89	..	89	..
Montreal Dec. '22	6	1922	2.45	108	104	104¼	101	103½	..	103½	..
Montreal. Sep. '22	6	1923	6.14	100	97¾	99¾	99	99¾	..	99¾	..
Quebec Rly.	5	1939	8.60	68	59	66½	65½	..	66	66	65¾
Rio Janeiro	5	1935	6.83	81	62	85⅝	73	..	84	85⅝	73
Sao Paulo	5	1929	7.91	82	70	88	80	84	83	83	81
Steel of Can.	6	1940	6.16	98¼	88½	98½	97½	99	98	98½	..
Wayagama	6	1951	8.20	78¼	69½	76	71¾	75	..	75	74
War Loan (1925)	5	1925	5.53	96.00	92.00	98.40	96.10	..	98.10	98.40	97.00
War Loan (1931)	5	1931	5.20	96.60	90.05	98.80	96.25	98.50	..	98.80	97.75
War Loan (1937)	5	1937	4.90	102.50	94.50	101.25	99.50	..	101.00	101.25	100.70
Victory (1922)	5½	1922	5.70	99.55	96.62	99.90	99.10	99.85	99.80	99.90	99.45
Do. (1923	5½	1923	5.63	99.50	95.50	99.80	98.75	99.80	99.70	99.80	99.20
Do., (1924)	5½	1924	5.60	98.50	94.25	99.85	98.00	99.80	99.70	99.85	98.00
Do., (1927)	5½	1927	5.21	101.00	95.25	101.60	99.80	101.50	101.40	101.60	100.70
Do., (1933)	5½	1933	5.16	101.80	95.12	103.10	101.25	103.00	102.95	103.10	102.00
Do., (1934)	5½	1934	5.51	99.43	92.25	100.00	98.30	99.95	99.90	100.00	99.45
Do., (1937)	5½	1937	5.04	104.00	96 50	105.15	103.30	105.00	104.90	105.15	104.00

We Own and Offer
Province of Ontario
6%
BONDS
DUE
1 December 1935
2 May, 1936
1 February, 1941
15 September, 1943
Prices and full particulars on application.
R. C. MATTHEWS & CO.
LIMITED
Bond Dealers
C. P. R. Bldg. - - Toronto

L. M. Green & Co.
Members Toronto Stock Exchange
INVESTMENT SECURITIES
Union Bank Bldg., Toronto
Phone A. 743-744

Victory Bonds
for
Safety
Assured Interest
Return and
Saleability
W. L. McKINNON & Co.
GOVERNMENT AND MUNICIPAL BONDS
McKinnon Bldg. TORONTO
Telephone Adel. 3870
W. L. McKINNON DEAN H. PETTES

We Offer
Province of Alberta
6% Bonds
Due Nov. 1st 1936
Price on Application
Edward Cronyn & Co.
Members Toronto Stock Exchange
Cronyn Bldg., Bay St.,
Toronto

Headquarters for Investors
McCUAIG BROS. & CO.
Members of the Montreal Stock Exchange
Clarence J. McCuaig D. Rykert McCuaig
G. Eric McCuaig Clarence N. McCuaig
W. P. Hickey
A General Stock Exchange Business Transacted.
NOTRE DAME
at St. Francois Xavier Street
MONTREAL

WESTERN BOND ISSUES
We Specialize in Western Provincial, Municipal and School Bonds
Lougheed & Taylor, Limited
CALGARY, ALTA.

Ask For Our List of
"Selected Securities for Safe Investment"
TRUAX, HIGGINS CO., Investment Bankers
17 St. John St. Main 3618 MONTREAL

VERSAILLES-VIDRICAIRE-BOULAIS
LIMITED
Investment Bankers
MONTREAL QUEBEC OTTAWA
Quebec Municipals and Industrials a specialty

RENE-T. LECLERC
INVESTMENT BANKER
MONTREAL 160 St. James Street,
QUEBEC 74 St. Peter Street.
(Established 1901)

OSLER & HAMMOND
Stock Brokers and Financial Agents
Members
Toronto Stock Exchange
Montreal Stock Exchange
21 JORDAN STREET - TORONTO

8% PREFERENCE WITH 75% COMMON

We recommend the purchase of the 8% Cumulative Preference of the Bridge River Timber and Manufacturing Company, Limited, with which we give a bonus of 75% Common. Prospectus furnished on request.

PATRICK DONNELLY & CO.
Investment Securities
189 St. James Street - - MONTREAL
Phone: Main 8720

FOR OFFICES, FACTORIES, INSTITUTIONS
STROMBERG-CARLSON INTER-COMM-PHONES
NEED NO OPERATOR OR SWITCHBOARD
STROMBERG-CARLSON TELEPHONE MFG. CO.,
35 McCaul St.
Send for Bulletin No. 1017

$100.00 Per Month

An income of $100 per month beginning in five years may be obtained by investing $76.24 of your present monthly income. Let us send you particulars.

CANADA PERMANENT MORTGAGE CORPORATION
14-18 Toronto Street - Toronto
Established 1855

IMPERIAL ROYALTIES
Qualified as the premier investment in Mid Continent Oil
30 Per Cent. Cash Dividends Paid First Year
For further information write
CARL AUSSERER, Investment Broker.
32 Broadway. New York City

WANTED
Cafeteria Equipment
Range, steam table, glass shelving, urns, cash register, etc. Must be in first class condition. Give description and prices. State where may be inspected.
Box No. 15

10½%
AMERICAN FUNDS
With Interest In Surplus Profits

Such an investment opportunity will be offered by us shortly in the form of 8% redeemable and convertible sinking fund first mortgage gold bonds. The debentures are first lien on land, mills, machineries, patents, of a large corporation being organized in Montreal, the direction of which is composed of men of outstanding prominence in the various spheres of business and finance.

The debentures will carry a substantial bonus in common stock.

Write for particulars.

CREDIT CANADA LIMITEE
145 St. James Street - Montreal

A Tonic Atmosphere

The efficacy of the tonic atmosphere of Algonquin Park is recognized by all who have enjoyed a few days during the winter months in this wonderful territory. Dry, clear and pure, the air acts as an invigorative prescription and medicines are discarded. Accommodation at the Highland Inn, the Grand Trunk hotel, may be had at reasonable rates. Just the place for those recovering from illness or fatigue. Ask any Grand Trunk Agent for booklet, or write to N. T. Clarke, Manager, "Highland Inn," Algonquin Park Station, Ont.

Tenders and By-Laws

TENDERS WANTED

Jan. 31, Municipality of Rockwood.—$50,000, 6 per cent. Good Roads debentures. Issued in sets running 1 to 28 years. V. W. McFarlane, Sec-Treas., Stonewall, Man.

Feb. 28, R. M. Morton.—$58,300, 6 per cent., 30-year Good Roads debentures. G. C. Smith, Sec.-Treas., Municipality of Morton, Boissevan, Man. (See announcement on page 16.)

Feb. 13, Three Rivers.—$149,900, 6% 10-year debentures for various purposes. Arthur Nobert, Treasurer, Three Rivers. (See announcement on page 16.)

DEBENTURE NOTES

MONTREAL.—Bonds to the amount of $3,000,000 will be issued shortly by the City of Montreal to meet the cost of the construction of sewers. This work will be hastened in order to provide employment in the city. A special realty tax will be levied to meet the interest and sinking fund charges amounting to $210,000 annually. This tax is estimated as between five and ten cents per $100 of property.

SASKATCHEWAN

The following is a list of authorizations granted by the local government board from January 7th to January 14th:

Schools.—Stobart, R. C., $4,000; Briar Mound, 1,500; Bellevant, 3,500.

Rural Telephones.—Leitchville, $500; Lintlaw, $14,454.

The following is a list of debentures reported sold from January 7th to January 14th.

Schools.—Hague, No. 29, $2,000, 15 yrs., 8%, Various, Hague; Ross Moir, No. No. 4357, 3,500, 10 yrs, 8%, C. C. Cross & Co., Regina.

Rural Telephones.—Carruthers, $29,000, 15 years, 8%, C. C. Cross & Co., Regina; Dafoe-Copeland, $1,250, 15 years, 8%, C. C. Cross & Co., Regina; Coronation, $1,100, 15 years, 8%, C. C. Cross & Co., Regina; Bredenbury, South, $1,350, 15 years, 8%, Geo. Taylor, Bredenbury; Quinton, $3,000, 15 years, 8%, Burnett, Burnett, Regina.

Villages.—Lemsford, $1,000, 10 years, 8%, B. B. Woodruff, Lemsford; Gainsboro, $1,000, 10 years, 8%, W. Shiel, Gainsboro.

Towns.—Milestone, $1,200, 10 years, 7%, Various, Milestone; Cravelbourg, $2,000. 30 years, 7%, C. W. McManus, & Co., Moose Jaw.

City.—Saskatoon, $30,000, 30 years, 6%, Wood, Gundy & Co., Toronto, Ont.

U. S. SILVER IMPORTS

For the first time since the outbreak of the war the United States will show for the calendar year 1921 an excess of silver imports over exports. Exports of silver from the U.S. in 1921 will be the smallest also for the seven-year period. How complete the reversal in tide of silver movement was in 1921 is seen by making comparison with 1919 when country showed excess of exports of $149,611,033 and in 1918 of $181,470,705. For 11 months of 1921 there was an excess of imports of $13,296,415.

CIVIC AND PROVINCIAL FINANCE

BIDS ON ISSUES INDICATE HIGHER SCALE OF PRICES

Guelph at 5.66%; Winnipeg at 5.55%; Typical of Prices Received

WEEK'S BOND SALES

Moose Jaw Sells Issue in States—Elmira, Leamington, Also Place Blocks of Debentures

Substantially sized issues are so scarce in the Canadian bond market now that the City of Winnipeg's block of $560,000 of 10 and 15 year bonds sold this week to the Dominion Securities Corporation came as somewhat of a surprise. Bids had been asked for Canadian as well as for American bonds and the Canadian bid was able to win out. The basis of the sale was 5.55 per cent.

Canadian Payment.

Dominion securities Corp.	99.53
Housser, Wood & Co., Dominion Bank and Osler & Hammond	98.87
McLeod, Young, Weir & Co., and Gairdner, Clark & Co.	98.67
A. E. Ames & Co.	98.66
R. A. Daly & Co., and R. C. Matthews & Co.	98.61
Wood, Gundy & Co.	98.55
C. H. Burgess & Co., and Dyment, Anderson & Co.	98.37
Canada Bond Corp.	98.11
Rene T. Leclerc	98.07
Nesbitt, Thomson & Co.	98.013
Harris, Forbes & Co.	97.89
Royal Securities Corp.	97.176

American Payment.

National City Co.	102.18
A. E. Ames & Co.	101.693
Canada Bond Corp., and Equitable Trust Corp.	101.644
Dominion Securities Corp.	101.53
A. Jarvis & Co.	
10 year	101.53
15 year	101.96
R. A. Daly & Co., and McLeod, Young, Weir & Co.	101.21
Gairdner, Clark & Co., Halsey, Stuart & Co.	100.44
Miller & Co.	
10 year	100.870
15 year	102,296
Dodds Bros.	100.786
Royal Securities Corp.	100.70

A Leamington Issue

Leamington, Ontario, has disposed of $23,000 of 6 per cent. ten instalment bonds to Dyment, Anderson and Co. The price received was, it is understood, 100.67.

Town of Elmira Sale

A bond issue amounting to $139,366 of the town of Elmira was bought by the Canada Bond Corporation at 101.867, a 5.75 per cent. basis. The bonds bear 6 per cent. interest, and are repayable in fifteen and thirty instalments. The tenders were:

Canada Bond Corp.	101.867
Wood, Gundy & Co.	101.64
Dominion Securities Corp.	101.575
Municipal Bankers Corp.	101.462
R. C. Matthews & Co.	101.454
A. Jarvis & Co.	101.39
Gairdner, Clark & Co.	101.17
C. H. Burgess & Co.	100.87
A. E. Ames & Co.	100.67
W. A. Mackenzie & Co.	100.07

Misunderstanding As to Terms

There was some misunderstanding regarding the terms of an issue of $29,812, 5 year 6½ per cent. bonds of the City of Moose Jaw, sold this week and the bids received were in some cases based on the assumption that the bonds were payable in Canada only. Wood, Gundy and Co., bought the issue with the provision that the bonds are payable in New York, tendering 103.46.

Guelph Again in Lead

Guelph bonds have led the market in the past two issues of that city and this week the city sold $69,802 of its debentures on a 5.66 per cent. basis. The bonds bear 6 per cent. interest and are for ten years. R. A. Daly and Co., nosed out half a dozen other close bidders and a field of also rans and got the issue at 102.54.

Tenders:

R. A. Daly & Co.	102.54
Canada Bond Corp.	102.46
A. Jarvis & Co.	102.44
W. L. McKinnon & Co.	102.36
Municipal Bankers Corp.	102.329
Wood, Gundy & Co.	102.29
C. H. Burgess & Co.	102.27
Harris, Forbes & Co.	102.27
R. C. Matthews & Co.	102.21
Dominion Securities Corp.	102.161
Dyment, Anderson & Co.	102.13
MacNeill, Graham & Co.	102.07
Gairdner Clark & Co.	101.768
United Financial Corp.	101.61
McLeod, Young, Weir & Co.	101.17
W. A. Mackenzie & Co.	101.13
Bell, Gouinlock & Co.	100.76
National City Co.	100.69
G. A. Stinson & Co.	100.27
Brent, Noxon & Co.	100.224

Earlier Payment of Taxes Will Save Cities Money

Tax Rate In Some Municipalities Raised As Much As One Mill By Borrowing That Could Be Avoided

By HORACE L. BRITTAIN,
Managing Director Toronto Bureau of Municipal Research and Citizens' Research Institute of Canada

The soundness of Dr. Brittain's contention that civic taxes should be collected earlier in the year and that this should be made possible by earlier consideration of the annual budget is emphasized by the experience of the City of Toronto. Temporary borrowings pending the first payment of taxes cost the city $120,800 in interest charges in 1921. In York Township the cost of temporary borrowing was around $40,000 or nearly $1 per capita. Of Toronto's interest charges Finance Commissioner George H. Ross, said this week·

"Last year temporary borrowings, pending the first payment of taxes, cost the city $120,800 in interest charges Much of this unprofitable expenditure could be avoided, and the tax rate correspondingly reduced, by setting an earlier date for the first collection of taxes—say, the first of April, instead of the middle of June.

"There is invariably a substantial amount outstanding in overdue taxes at the close of each year. At the end of 1921 the total was $4,807,000—$1,000,000 more than the year previous, the difference being largely the result of failure to pay income tax. This large amount in arrears forces the city to lean heavily on its bankers, and involves considerable expenditure in interest charges. If the dates for tax collection were advanced, a very considerable saving could be effected, as it is believed that, with the third installment coming due in the late summer, a higher percentage of taxes would be collected."

The credit of most municipalities is so good that they find little difficulty in borrowing large sums of money, in advance of the first payment of taxes. If any individual had the same legal right as municipalities to take money away from citizens to the amount of his expenditures, he would have equally good credit and could easily raise money in advance of his first levy on his neighbors. To a certain type of mind, it is always easier to borrow than to earn. Such men borrow as early and pay as late as possible. Many municipalities seem to belong to this class. In 1920, every one of 18 Canadian municipalities, taken at random, paid interest on current loans. The amounts paid varied between $2,500 and $175,000 and the effect on the tax-rate varied between .23 mills and 1.6 mills. In four out of the eighteen, the taxrate was increased 1 mill on the dollar, or over, by interest on current loans. In seven others, it was increased by over half a mill.

Slovenly Financing Grows

To follow the path of least resistance is human. In this respect, aldermen rank at least as high as the people who elect them. No one desiring to be re-elected looks with enthusiasm on assuming responsibility for advancing the date when taxes become due.

Yet improvident current financing readily becomes a vicious habit which reacts unfavorably on capital financing. Putting off the evil day, is so natural that apparent success in putting off the payment of current taxes, through current borrowing, readily suggests the free borrowing of money for capital purposes. Slovenly current financing easily grows into slovenly capital financing.

As far as possible, the revenue year should be made to correspond with the expenditure year. A small fund for working capital, which should be in the absolute control of the City Treasurer, would enable the municipality to tide over the few weeks before the payment of the first instalment of taxes, without any temporary borrowings.

How to Establish Fund

This fund could be established by levying, for a term of years, a fraction of a mill, over and above the current requirements, until a fund of sufficient size is established. If necessary, provincial legislation should be secured to authorize this method. Mr. Thomas Bradshaw, while Finance Commissioner of the City of Toronto, and Mr. George Ross, the present Commissioner, have both recommended the establishment of such a fund for Toronto.

Efficient management of current financing creates a fine impression on the lending public, and gives the City which practises it an advantage when going into the debenture market.

One of the first duties of Canadian cities is to gather up all loose ends, preparatory to an era of thrift, which past mistakes, as well as the aftermath of the War, have rendered a necessity.

HAS YOUR CITY MORTGAGED ITS FUTURE?

Dr. Brittain will discuss the question of debt charges next week in the best article yet of this series.

The Regina Judgment

In holding that the Toronto General Trust Corporation was right in claiming payment of the interest at par value of the sovereign, Mr. Justice Taylor said in his judgment in the Regina Case referred to on page 12:

"An examination of the charter of the defendant municipal corporation and the by-laws under which the debentures were issued, is conclusively to the effect that the defendants had power to incur, and that it was intended to create a fixed liability and not one of fluctuating amount. The amount of the liability undertaken and which the council was authorized to incur, is stated in language so definite as to admit of no uncertainty or doubt as to the amount of the liability intended to be incurred.

"This action, though in form to recover upon certain coupons attached to bonds issued by the defendant corporation and now held by the plaintiffs, is brought as a test action to determine the extent of the defendant's liability thereon. The difficulty arises owing to the amount payable being expressed in pounds and shillings and to depreciation in sterling exchange.

"It is apparently agreed that existing legislation has the effect of requiring the plaintiffs to accept payment in Canadian currency.

"According to the terms of each of the coupons upon which the action is brought, the defendants, as I have interpreted their promise, agreed to deliver to the plaintiffs in Toronto, two sovereigns and one half sovereign per coupon for interest. Having failed to do so, the amount of the judgment must be based on the quantity of Canadian currency one would have to pay here to obtain in the market two sovereigns and one half sovereign delivered in Toronto for each coupon.

"It is not a case of exchange but of translation of pounds and shillings into dollars and cents. The equivalent of the sovereign in 1908 was computed at $4.86,2/3. If there has been any change since, it has been not in the value of the sovereign in Toronto but in the worth of the paper currency of the Dominion of Canada.

"In 1908 the pound sterling was current money in Canada, having by statute a fixed value.

"The promise made in 1908 in each of the coupons was therefore to deliver to the bearer at any of the places named, two British sovereigns and one half sovereign. It was not a promise to pay the sum in sterling exchange. It is an obligation to deliver that quantity of sterling coin to the bearer of the coupons on presentation as required by the coupon."

Likely To Be Appealed

In pointing out that the case is certain to go to the Court of Appeal, the learned justice says:

"While I have received much assistance from the argument and cases referred to by learned counsel in the very full and splendid argument presented to me, yet it appears that some cases not referred to by counsel are decisive to the question at issue. I would hesitate to so express my opinion without further argument, were it not that I am assured my decision will be reviewed in appeal. I will order a stay of execution for 30 days to permit such appeal."

WOMEN ON 'CHANGE

Now Have Rights and Privileges on Berlin Bourse

Women by an act of the Reichstag just passed are given the same rights and privileges as men in respect to membership on the Berlin Bourse. This is the first time that women have been granted the right of membership in any of the principal continental exchanges, most of which are under governmental supervision.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

DATE—PLACE—	SOLD TO—	Rate	Terms	Amt.	Price	Basis
Jan. 23—Winnipeg,	Dominion Securities	5½%	10 & 15	$560,000	99.53	5.55
Jan. 24—Leamington	Dyment, Anderson Co.	6 %	10 in.	23,000	100.67	5.85
Jan. 24—Elmira	Canada Bond Corporation	6 %	15-30 in.	139,366	101.867	5.75
Jan. 24—Moose Jaw	Wood, Gundy & Co.	6½%	5 yrs.	29,812	103.46	*
Jan. 24—Guelph	R. A. Daly & Co.	6 %	10 yrs.	69,802	102.54	5.66
Jan. 3—Charleswood	A. E. Ames & Co.	6 %	20 in.	35,000	97.	6.40
Jan. 19—St. Charles, Man.	Bond & Debenture Corp.	7 %	20 yrs.	20,000	92.25	7.77
Jan. 3—Dalhousie, N. B.	W. F. Mahon & Co.	6 %	20 & 30	40,000		
Jan. 3—Dartmouth, N. S.	W. F. Mahon & Co.	6 %	5 - 30	46,000		
Jan. 14—Sask. Schools, Villages, Phones, etc.	See Above			76,400		
	PROVINCIAL					
Jan. 19—Ontario Hydro System	A. E. Ames & Co. and Wood, Gundy & Co.	6 %	40 yrs.	500,000	107.65	5.52

* Payable in New York

Form Investment Connections

Take the advice of your lawyer on matters of law, of your physician on matters of health, of your banker on matters of finance.

In matters of investment a reputable investment house should be consulted. A confidential connection with this Company would give you the benefit of experienced investment counsel. 20

F. H. Deacon & Co.
Members of Toronto Stock Exchange
INVESTMENTS
75 BAY STREET, TORONTO
Phone Main 6733
F. H. Deacon J. C. Fraser
R. G. Dingman

FOUNDED HB 1885
Valuable Investment Advice

With more than forty years' experience in the field of Investment Securities, we are fully equipped to furnish our clients with detailed particulars regarding each and every market offering.

We invite your inquiries in this regard and, if desired, will be glad to offer suggestions for a profitable re-adjustment of your holdings.

Our entire organization is at your service. You incur no obligation by writing us.

HANSON BROS.
Investment Securities
160 St. James St. Montreal
63 Sparks St. Ottawa

Have Your Bonds Increased in Principal Value Recently?

If you held stocks you would probably look at Stock Exchange quotations each day—and trade when it was profitable to do so.

Why not keep as well posted on Bond prices. Send us your name and we will forward to you our Current List of Bond prices every two weeks. This should help you to judge when it is good to buy and to sell. Address

R. A. DALY & CO.
BANK OF TORONTO BUILDING
TORONTO

THE CANADA TRUST COMPANY
£50,000
Province of Alberta
4% Bonds
Due June 1st, 1938

These Bonds are issued in denominations of £100, and are payable both as to principal and interest at $4.86 to the £ in Toronto, Montreal and Edmonton.

Price on Application

CANADA TRUST CO.
14 KING ST EAST TORONTO
HUME CRONYN - J.R. MITCHELL
Gen. Manager Mgr Bond Dept

High Grade
Quebec Municipal
and
Industrial Bonds
also
French Government Issues
L. G. Beaubien & Co. Limited
Members Montreal Stock Exchange
50 Notre Dame St. West Montreal
Branch Offices:
Paris Quebec Three Rivers

Sun Life Assurance Company of Canada
Head Office: Montreal
Assurances in Force - $500,000,000

BRITISH COLONIAL
FIRE INSURANCE COMPANY
MONTREAL
Canadian—Strong—Progressive
General Fire Insurance Business Transacted
[illegible] Meunier, Manager

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$74,000,000.00
POLICIES ISSUED FROM $500 TO $5000
G. E. BAILEY, Secretary
W. H. HUNTER, President
G. R. COTTRELLE, Treasurer

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, MAN.
A Canadian Company Investing Its Funds in Canada
APPLICATION FOR AGENCIES INVITED
TORONTO: 20 KING ST. W.
W. H. George, Superintendent of Agencies

Interesting Facts concerning the Mutual of Canada

The Mutual of Canada was organized strictly for protection, not for investment. Its "stock" has never been quoted as it is operated without private capital. It has grown steadily for nearly half a century and is established upon an unshakeable foundation. It is under government supervision like all other old line companies, maintaining reserves on the safe and conservative basis of three and three and a half per cent. The business is confined to the Dominion of Canada and Newfoundland, so that the mortality is not subject to serious fluctuation. It is strictly a policyholders' company. It was organized exclusively for the benefit of its policyholders: It is operated in their interest and it is controlled by them. The whole surplus is used to reduce premiums, is paid in cash or increases the amount of their protection.

EQUITABLE - DEMOCRATIC - ECONOMICAL
THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
WATERLOO - ONTARIO

INVEST YOUR SAVINGS
In a 5½ DEBENTURE of The Great West Permanent Loan Company
5½% Interest Return
SECURITY
Paid-up Capital $2,414,663.00
Reserves 1,100,000.00
Assets 6,184,430.00
HEAD OFFICE, WINNIPEG
Branches: Toronto Regina Calgary Edmonton Vancouver Victoria Edinburgh, Scotland

When selecting a Trust Company as an Executor, choose one whose fixed policy is to give
FINANCIAL ASSISTANCE
to Estates being administered by it
PAID-UP CAPITAL AND RESERVE $1,212,725
The Imperial Canadian Trust Co.
EXECUTOR. ADMINISTRATOR. ASSIGNEE. TRUSTEE. ETC.
HEAD OFFICE: WINNIPEG
BRANCHES: SASKATOON, REGINA, EDMONTON, CALGARY
VANCOUVER AND VICTORIA

A BRITISH COMPANY
UNION INSURANCE SOCIETY OF CANTON
LIMITED
Established 1835
Fire - Automobile - Marine Insurance
TOTAL ASSETS OVER $40,000,000.00
Head Office for Canada - 36 Toronto St., Toronto
C. R. DRAYTON, Manager for Canada

LONDON JOINT CITY AND MIDLAND BANK LIMITED
CHAIRMAN:
The Right Hon. R. McKENNA
JOINT MANAGING DIRECTORS:
S. B. MURRAY F. HYDE E. W. WOOLLEY
Subscribed Capital - - £38,116,815
Paid-up Capital - - - 10,860,565
Reserve Fund - - - 10,860,565
Deposits (June 30th, 1921) - - 371,322,381
HEAD OFFICE: 5, THREADNEEDLE STREET, LONDON, E.C. 2.
OVER 1,550 OFFICES IN ENGLAND AND WALES
OVERSEAS BRANCH: 65 & 66, OLD BROAD STREET, LONDON, E.C. 2.
Atlantic Offices: *"Aquitania" "Berengaria" "Mauretania"*
AFFILIATED BANKS:
BELFAST BANKING CO. LTD. — OVER 110 OFFICES IN IRELAND
THE CLYDESDALE BANK LTD. — OVER 160 OFFICES IN SCOTLAND

Canadian Appraisal Co., Limited
Property Values Definitely Established to Meet All Insurance and Accounting Requirements
TORONTO ROYAL BANK BLDG.
36 UNIVERSITY STREET MONTREAL
NEW YORK EQUITABLE BLDG

INSURANCE AND REAL ESTATE

RECORD INCREASE ASSETS SHOWN BY MANUFACTURERS

Now Stand at $37,327,381, Representing a Gain of $4,106,472

ANOTHER MILESTONE

Business in Force Now Exceeds $200,000,000 Mark—Volume of New Insurance Shows Decline—Favorable Mortality

New insurance placed with the Manufacturers' Life Insurance Co., during the year 1921 fell behind the total of new business for the previous year, but was in excess of the returns for the year 1919, the then record year in the company's history. This showing reflects the influence of the unfavorable external conditions experienced during the year, which resulted in a very broad scale of business depression, but notwithstanding the company has made very substantial progress and has materially strengthened its position. The company has passed another milestone, and has insurance in force exceeding the $200,000,000 mark. When it is recalled that in 1916 the total stood at $89,000,000, the expansion of the company can be better appreciated.

The new business written in 1921 amounted to $43,813,679, which compares with $52,268,849 for 1920, and $40,171,220 for the previous year. The amount of insurance in force stands at $200,402,451, as against $178,757,911 at the close of the previous year. The total income for the year was $9,557,325, an increase of $926,780. The mortality experience was again favorable, the payments to policyholders and beneficiaries comprising death claims, matured policies, etc., amounting to $2,965,142 compare with $2,614,729, or a mortality rate of 48 per cent. of the expected as against 51 per cent.

The following comparative table indicates the growth of the company:

	1911.	1916.	1921.
Insurance in force	$66,004,415	$89,118,359	$200,402,545
Assets . .	14,601,668	22,694,436	37,327,381
Policy Reserves	12,684,321	18,659,352	31,924,943
Total income	3,267,422	4,659,642	9,557,325
Payments to policy holders . . .	1,279,843	1,782,381	2,965,142

Asests at the close of the year totalled $37,327,381, as against $33,220,909, a record increase for any one year. Of invested assets over 95 per cent. consist of government and municipal bonds, first mortgages, etc. The report reveals a distinct trend toward real estate mortgages for investment purposes. While investments in government, school, and rural telephone bonds stood at the end of 1920 at $13,402,396, this figure had been increased to $13,994,480 at the end of 1921. Real estate mortgages have grown from $12,087,059 to $14,399,524. The average rate of interest earned at 6.58 per cent. is a slight decline from the rate of 6.62 per cent. for the previous year. The reserve fund has been increased by $3,803,318, and stands at $31,924,943.

Loans on policies have increased from $4,125,966 to $5,012,452.

ROYAL LOAN AND SAVINGS

Slight Increase in Profits—Deposits Are Greater

Profits of the Royal Loan and Savings Co., for the year ending December 31 last, show a slight increase over the returns of the previous year, although they fall short of the earnings for the year 1919. After interest on deposits and debentures and all expenses of management, etc., there are net profits of $71,939, compared with $70,807 for the previous year, and $80,451 for 1919. With the balance forward of $8,223 there is available for distribution the sum of $80,162. The following are comparative figures for the past three years:

	1921	1920	1919
Net profits . .	$71,939	$70,807	$80,451
Bal. forward .	8,223	11,416	10,665
	$80,162	$82,223	$91,116
Dividends . .	54,000	54,000	54,000
Reserve . . .	15,000	20,000	25,000
Patriotic . .	.....	.....	700
Balance . . .	11,162	8,223	11,416
	$80,162	$82,223	$91,116

Earnings are at the rate of 11.9 per cent. on capital and 6.6 per cent. on investment. Following are the features of the company's earnings for the past seven years:

Year	Paid-up Capital	Profit	Div.	% on Cap.	Earn. Rate
1921 . .	$600,000	$71,939	9	11.9	6.6
1920 . .	600,000	70,807	9	11.8	6.6
1919 . .	600,000	80,451	9	13.4	7.8
1918 . .	600,000	76,671	8	12.7	7.5
1917 . .	600,000	75,487	8	12.5	7.6
1916 . .	600,000	63,957	8	10.6	6.7
1915 . .	586,200	60.490	8	10.3	6.4

The company's assets show a small decline in value standing at $2,549,200 against $2,617,476. A contraction in debentures is noted from $772,029 to $689,0599. Deposits on the other hand show a slight increase, standing at $746,319 compared with $745,047. Loans on mortgages have increased from $1,564,540 to $1,597,236. There is a slight reduction in the amount outstanding in government and municipal bonds.

WATERLOO MUTUAL FIRE

Shows Cash Balance Over all Liabilities of $803,407

Receipts of the Waterloo Mutual Fire Insurance Co., for the year ending December 31 last, amounted to $338,261, against which there were expenditures of $306,586. The balance from the year's operations therefore, stood at $31,674. The balance sheet shows a cash balance over all liabilities of $803,407, which together with premium notes of $238,232 brings the total assets to $1,206,157. The sum of $50,000 is deposited with the provincial government.

BUILDING COSTS DECLINE SLOWLY

Builders' Association Discusses Outlook—Trend Gradually Downward

While the trend of building costs will be mainly downward throughout the year the movement will be very slow, and will be subject to temporary movements in the reverse direction, according to an opinion expressed by the delegates to the convention of the Association of Canadian Building and Construction Industries at Hamilton last week. There are a number of circumstances entering into the situation which will of necessity retard the course of adjustment of building costs. In the first place there is a scarcity of mechanics, which scarcity, it is held, will be accentuated when work becomes plentiful. It was pointed out too that at the same time certain of the basic materials are at artificially low levels. On the other hand there still remain many centres where reasonable reductions in wages have not been put into effect, and there are many major materials, the prices of which have not undergone proper deflation, both of which factors will, when righted tend to decrease prices. The prediction was made that as soon as business revives, and not until then, building would start to move.

1921 HEALTHIEST YEAR IN HISTORY

Insurance Companies' Mortality Rate Reduced to 8.24 Per Thousand of Risks

A searching survey of the health conditions of the United States and Canada, conducted by the life insurance companies, indicates the fact that this continent is entitled to a policy of good physical and economic health. That is the announced result of four separate statistical surveys, each countrywide, recently conducted by Association of Life Insurance presidents, inquiries involving actual experience in 1921 of the companies as to death claims, new business, policy loans and investments. Approximately forty million individuals are now life insurance policyholders and practically every hamlet, village, town or city are reflected in these statistics.

The combined results of these four surveys show that the people of the United States and Canada had in 1921 the healthiest year of their existence; that they bought eight and one-half billion dollars of new life insurance, an amount second in volume only to that purchased in 1920; that the proportion of the accumulated borrowings on their life insurance policies is well below the high level reached in 1914 and that the assets eld as reserves to mature policies are making a substantial growth, contributing further to national development.

"The reduced mortality experience indicates a people well fitted physically to cope with the new problems of 1922, while the other groups of figures demonstrate a continuity of thrift and stability of purpose under trying conditions," is the expressed conclusion of the Association of Life Insurance Presidents.

Whether viewed singly or collectively, these four statistical groups furnish an optimistic background for the life insurance business of 1922 and constitute a favorable prophecy for wholesome business conditions generally during the ensuing year. The people of the United States and Canada never before experienced such good health as in 1921—there being an appreciable reduction from all previous records in the number of deaths among insured lives. The insurance death rate was lowered from 9.58 per thousand in 1920 to 8.24 per thousand in 1921—a saving of one and one-third lives per thousand. Applying the statistics to the general population of the two countries, a probable saving of 153,000 lives in 1921 over 1920 is indicated.

EXCELSIOR LIFE CLOSES ANOTHER FAVORABLE YEAR

Annual Report Reveals Marked Expansion in All Departments

MORTALITY RATE 48%

Strong Position of Policyholders—Reserves Continue to Increase—Favorable Experience

A significant feature of the financial statement of the Excelsior Life Insurance Co., which goes forward to shareholders this week is the relatively large disbursement on behalf of policyholders. In addition to the sum of $500,571 paid out in death claims, matured investment and endowment policies, profits and surrender values together with the amount set aside for the future benefit of policyholders, the total reached $1,522,282, whilst the company's receipts in premiums amounted to only $1,392,759. For every dollar of premiums received from policyholders therefore during the year 1.02 was returned or set aside for their benefit.

The report indicates a year of marked expansion which will prove to be the more satisfactory to shareholders and policyholders alike, when consideration is given to the difficulties attending business of all kinds during the year. While there were applications for $11,297,011, an amount almost equalling that of the record year of 1920, there was issued and revived a total of $10,843,600 compared with $11,138,242 for the previous year. The total insurance in force amounted to $46,000,506, being an increase of $5,425,615.

The premiums for insurance amounted to $1,392,759, and total receipts to $1,756,467, being an increase of $150,870. In common with the general experience the mortality was exceptionally favorable, claims being only 48 per cent. of expected, as against 57.7 per cent. for 1920, and compares with the average for the past ten years of 55 per cent.

Interest Rate Higher

The total assets available for the security of the policyholders now amount to $7,389,327, an increase of $920,869. Holdings of government and municipal bonds and debentures total $1,606,889. The average rate of interest earned on invested assets was increased during the year from 6.87 per cent. to 7.20 per cent.

Reserve funds include the sum of $5,929,726 which is charged as a liability to meet expected future obligations under policy and annuity contracts. This item shows an increase of $731,849. The statutory reserve now amounts to $226,909, and special reserve of $15,000 has been made for death claims accruing before the end of the year, but not reported. A special reserve account of $71,076 has been created. The unallotted surplus showed a substantial increase of $92,517, and now amounts to $751,658.

An interesting feature of the report is the very favorable experience of the company with a new type of policy issued without requiring the applicant to undergo a medical examination, available for applicants between the ages of 20 and 45, and for an amount not exceeding $1,000. From February until the end of December some 850 applications were received, and only one claim has so far occurred, a showing which is declared to be better than upon business which was medically examined.

U. S. TRADE WITH EUROPE

Exports of $2.380,000,000 a Third Larger

Estimate by the U.S. Department of Commerce of imports from Europe in 1921 is $760,000,000, which would include $78,000,000 for December. November exports from Europe were $70,000,000. Exports are placed by the same authority at $2,380,000,000 for the year. This would embrace $171,000,000 for December, an increase of $18,000,000 over November.

Based on this official estimate, the 1921 European trade balance would be $1,620,000,000 or nearly 68% of exports. Export balance for 1920 was $3,238,000,000 or 72% of exports. With allowance for net gold imports the 1921 balance will stand approximately at $1,000,000,000.

Exports for 1921 were a third larger than in 1913; imports slightly less. The balance of that year was equal to 58% of exports.

In its comment on the figures, the Department of Commerce says: "Even with the higher value of the dollar trade was larger (that is, in tonnage) than in 1913. United Kingdom is our best customer in the world. In Europe, Germany has again risen to second place, with imports from us $25,000,000 higher than in 1913.

The Western Empire
Life Assurance Company
Head Office: 701 Somerset Bldg., Winnipeg, Man
Men of proven ability would do well to write for particulars of the Agency Contract the Company is prepared to offer. Several District Managers required to cover exclusive good territory at a number of Western points.
Branch Offices:
Saskatoon Calgary Vancouver
WILLIAM SMITH
Managing Director

British America Assurance Co.
Fire, Marine, Hail and Automobile Insurance
HEAD OFFICE - TORONTO
BOARD OF DIRECTORS: W. R. Meikle, President and General Manager; Wilfrid M. Cox, Vice-President; Sir John Aird, Robt. Bickerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper (London, Eng.), H. C. Cox, John H. Fulton (New York), D. B. Hanna, Miller Lash, Geo. A. Morrow, Major Gen'l Sir Henry Pellatt, C.V.O., E. R. Wood.
Assets over - - - $4,400,000.00
Losses Paid Since Organization, over - $50,000,000.00

Western Assurance Company
Fire, Marine, Automobile, Hail, Explosion, Riots, Civil Commotions and Strikes Insurance
Incorporated 1851
HEAD OFFICE. TORONTO, ONT.
Assets over - - - $7,900,000.00
Losses paid since Organization - - $81,300,000.00
BOARD OF DIRECTORS: W. B. Meikle, President, Wilfrid M. Cox, Vice-President, Sir John Aird, Robert Bikerdike (Montreal), Lt.-Col. Henry Brock, Alfred Cooper, (London, Eng.) H. C. Cox, John H. Fulton (New York), D. B. Hanna, Miller Lash, Geo. A. Morrow, Major-Gen'l Sir Henry Pellatt, C.V.O., E. R. Wood.

PRACTICAL BUILDINGS
COBB
ARCHITECT, TORONTO

THE
Toronto Casualty
AND
Marine Insurance
COMPANY
Head Office
Lumsden Bldg. Toronto
DIRECTORS
M. A. MacKenzie Forbes Godfrey
A. E. Wilson Henry Knight
G. L. Smith E. R. Dennis
A. E. Dawson R. P. Parker
C. H. Ackerman T. H. Pratt
Automobile Insurance, in all its branches. Inland Transit. Sickness and Accident. Fidelity Bonds, and General Liability and Marine Insurance.
AGENTS WANTED THROUGHOUT ONTARIO

THE NORTH EMPIRE FIRE INSURANCE CO.
Head Office-WINNIPEG
Toronto Office: 218 Confederation Life Building
J. E. HOUNSOM, *Manager*
Thompson, Dale & Power, Ltd., Toronto
City Representatives
Fess & Smith, Ltd., Winnipeg
Western General Agents
W. Mayne McCombe, Montreal *General Agent*
(Policies guaranteed by the London Guarantee and Accident Co. Ltd.)

Business Founded 1795
American Bank Note Company
Incorporated by Act of the Parliament of Canada
Engravers and Printers
Bank Notes and Cheques
Corporation Bonds
Stock Certificates
Municipal Debentures
and Other Monetary Documents
Head Office and Works: Ottawa
Branches:
Montreal Toronto

Here is Your Opportunity
For a real investment in the basic part of the largest industry in the world, a branch of which is being established in Canada and admitted of vital necessity to every citizen, write
Dominion Development Corporation Limited
805-813 C.P.R. Bldg., Toronto

The Wabasso Cotton
Company, Limited

THREE RIVERS, P.Q.

Manufacturers of Fine White Cotton, also Spinners' Fine Counts of Yarns

THE FOUNDATION COMPANY
LIMITED
ENGINEERS CONTRACTORS

222 ST. JAMES STREET
MONTREAL

Hydraulic and Steam Power Developments
Industrial Buildings
Heavy Foundations
Dams and Bridge Piers
Underwater Construction

Dominion Textile Company
LIMITED

Manufacturers of

COTTON FABRIC

MONTREAL TORONTO WINNIPEG

Western Canada Flour Mills Company
Limited

A. KELLY
President

J. E. MACFARLANE
Gen. Mgr.

Head Office: Toronto

Mills at
Goderich Winnipeg Calgary
Brandon Edmonton Victoria

Daily Capacity—Flour, 10,000 barrels Rolled Oats, 1,000 barrels

MANUFACTURERS OF
PURITY FLOUR PURITY OATS

Mayall Motor Heater
Makes Starting Easy
The Very Thing For This Cold Weather
Ask Your Dealer

P. Lyall & Sons
Construction
Company, Limited
Toronto - Montreal - Ottawa

L. R. STEEL SERVICE CORPORATION LIMITED
OF CANADA
Investment Securities

Branch Offices:
MANITOBA: Winnipeg, Brandon; ONTARIO: Port Arthur, Sault Ste. Marie, Sudbury, Haileybury, Oshawa, Hamilton, Kitchener, London, Brantford, Chatham, Stratford, St. Catharines, Windsor, Peterboro, Ottawa, West Toronto, Owen Sound; QUEBEC: Montreal, Quebec, Sherbrooke, Three Rivers; NOVA SCOTIA: Halifax; NEW BRUNSWICK: Fredericton, Moncton.

Executive Offices
Lincoln Bldg., Buffalo, N.Y.

Canadian Executive Offices:
Royal Bank Bldg., Toronto, Canada

REAL ESTATE
FARM LANDS CITY PROPERTY
BUILDING MANAGEMENT RENTALS
Osler, Hammond & Nanton
WINNIPEG

FORESEES 7 P. C. MORTGAGE MONEY WITHIN A MONTH

Outward Conditions Point to General Lowering of Mortgage Rate

BUILDING OUTLOOK

Mortgage Investments Are Hazardous for Private Investor—Many Factors to be Considered

The head of a large Toronto loaning company made the statement this week that money would be available in free supply for mortgage purposes upon first-class properties at 7 per cent. within a month. In fact, he added, that even now he would hesitate to refuse a loan at 7 per cent. upon an especially attractive risk, if his client positively refused to pay the current rate of 7½ per cent., which still prevails.

Outward conditions undoubtedly point to the probability of a lowering of the mortgage rate in the near future. The bond market is steadily ascending. There are heavy accumulations of money seeking investment, a common occurrence at this particular season of the year, but a new condition, the stagnation of business, has this year tended to augment the supplies that would ordinarily be available. Reports from Britain likewise indicate an easing of the money situation and one Canadian company, which has a large connection in Scotland, has recently been able to secure new money at a lower rate. The borrower or prospective borrower can profit from this situation, for he can usually borrow upon more favorable terms in the month of February than at any other month of the year, when supplies of money in the hands of the loaning companies are the heaviest. Whether the lowered rates will continue permanently down, or will indicate a seasonal abundance of money only will depend largely upon conditions in the building trades. An unusually large number of inquiries are being received by the loaning companies upon prospective building, but in each case there is a manifest diffidence on the part of the builder to begin operations until he has positive assurance that the downward incline of building costs has been checked, and as yet there is no indication that the bottom has been reached. A broad building campaign with the accompanying enlarged demand for money might have the effect of bolstering up mortgage rates, but there is little likelihood of building operations of such proportions this year.

Looking to Mortgages

With interest rates on gilt-edged securities subsiding below the 6 per cent. level, many investors with money on their hands are considering the advisability of loaning out their funds upon the security of improved properties. They could thus get possibly 7 per cent. and at least 6½ per cent. and better, a substantial margin over the return offered by government and municipal bonds at the present time.

The loaning of money upon mortaages is a hazardous practice, and generally speaking, should not be attempted by a woman who is dependent upon the income from her investments, or for the man who is not well versed in the arts of business. Even the loaning institutions with their extensive organisations, their skilled appraisers occasionally make bad loans. Granting that the loan is properly placed there are certain disadvantages about a mortgage investment for the private individual, which renders it less attractive than many forms of bonds and reliable securities.

There are a number of very attractive securities available now which offer practically as high a yield as a first mortgage, and the investor is freed from the worries and anxieties which attend a mortgage investment. In the first place interest payments on mortgages are very often delayed. Then again the mortgagor should exercise an element of supervision upon property on which he has advanced a loan, in order to see that it does not fall into disrepair or that the security behind the loan is impaired in any way. The holder of an institution's securities is freed from this worry. Regularly every three or six months the dividend check is mailed to him, and he is freed entirely from the wearisome details required in the personal supervision of a mortgage loan.

Judging Value of Property

Perhaps the chief difficulty attending mortgage loans is the inability of the average investor to accurately judge the value or prospective value of a property. This is work which requires years of training, and even then mistakes are made. The lender should take care that he is not loaning upon a $10,000 house in a $5,000 street. In other words his loan should be a property suitable to the street in which it is located. It does not suffice to determine the value of the house, the probable cost of replacement, and other similar incidentals. What is of primary importance to the investor is the probable earning capacity of the property, and the possibility of its sale at a figure which will leave a margin above the face of the loan.

For example, it is more difficult to sell a very high-priced house, and get a fair return than a moderate priced house. If the high priced property is rented it is more than likely that it cannot command a revenue which will compensate for the higher cost. The loaning institutions look with disfavor upon a $100,000 as a security for a mortgage loan except under exceptionally favorable circumstances, for it is conceivable that such a house would be very difficult to sell.

There are numberless factors to be determined in establishing the value of a house, which the average investor will in all likelihood overlook, and the disregard of any one may imperil his investment. Some lenders make the practice of allowing their solicitors to handle this business for them. In this case legal fees will depreciate the return to a level whereby the investor does not secure any advantage over investments in the securities of tried institutions.

LARGE INCREASE ASSETS OF THE NATIONAL TRUST

Profits Are Higher Than For the Previous Year

13.8 P. C. ON CAPITAL

Based Upon Paid-Up Capital of $2,000,000—Balance Sheet Shows Total Assets of $102,812,549

The National Trust Co., has completed another successful year with earnings for 1921, amounting to $301,865, and profits after income tax of $25,000 reaching a total of $276,865 compared with $235,025 for 1920 and $247,440 for the previous year. In comparing the returns of the past two years with years prior to 1920 it should be recalled that the paid-up capital was in 1920 increased from $1,500,000 to $2,000,000 and on this basis the past year's earning record can be regarded as fairly in keeping with the company's earlier experiences.

To profits was added the balance from the previous year's account of $84,417 bringing the total available for distribution to $361,282. This compares with $669,648 for the previous year, but in this amount was included the sum of $375,000, representing premium on stock. After dividends there is a balance of $121,282. Following are comparative figures of the profit and loss account:

	1921	1920	1919
Earnings	$301,865	$252,825	$281,140
Patriotic	......	......	9,500
Income tax	25,000	17,800	24,200
	$ 25,000	$ 17,800	$ 33,700
Net profits	$276,865	$235,025	$247,440
Prem. on stock	.....	375,000	......
Bal. forward	84,417	59,623	12,182
	$361,282	$669,648	$259,622
Distribution—			
Dividends	240,000	185,232	150,000
Premises	......	.. ...	50,000
Reserve	......	400,000	......
Balance	121,282	84,417	59,623
	$361,282	$669,649	$259,623

Comparative Earnings

The following table outlines the comparative earnings of the company for the past six years, together with the percentage of earnings in relation to capital, the rate of dividends, and the market movements of the stock:

Year	Net Profits	% on Av. Cap.	Div.	Stock High	Stock Low
1921	$276,865	13.8	12	200	190
1920	235,025	14.0	11	230	198
1919	247,440	16.4	10	205	200
1918	239,784	15.9	10	...	...
1917	226,080	15.0	10	212	207
1916	222,754	14.8	10	210	210

The company's assets show an important increase in value from $94,390,705 to $102,812,549. The growth is largely in the estates, trusts and agency accounts which have increased from $84,726,290 to $93,400,117. The reserve fund remains unchanged at $2,000,000 and is equal to the paid-up capital. The guaranteed trust account shows a slight decline from $5,387,200 to $5,113,988; the trust funds investment on hand standing at $2,692,026 compared with $3,058,061, and trust deposits, $2,421,962 compared with $2,302,138.

The following are comparative figures from the various accounts showing expansion in the past seven years:

	Capital Account	Guaranteed Account	Estates, etc.
1921	$4,298,443	$5,113,988	$93,400,117
1920	4,277,214	5,387,200	84,726,290
1919	3,300,670	5,975,711	79,665,410
1918	3,238,221	6,897,900	69,955,548
1917	3,197,122	7,717,790	65,807,722
1916	3,174,174	7,871,097	58,651,782
1915	3,140,543	6,986,333	49,205,608

THE TORONTO GENERAL TRUSTS CORPORATION

NOTICE is hereby given that the Annual General Meeting of the shareholders of the Toronto General Trusts Corporation will be held at the Head Office of the Corporation, at the corner of Bay and Melinda Streets, in the City of Toronto, on Wednesday, the 1st day of February, 1922, at 12 o'clock noon, to receive and consider the annual report and financial statements of the corporation for the year ended 31st December, 1921, to pass and confirm by-laws, to pass by-laws for the investment of the moneys of the corporation, in the erection and purchase of buildings, and the erection and improvement of buildings, required by the corporation, in the cities of Winnipeg and Vancouver, and to confirm the action of the directors already taken in reference thereto; to consider amendments to existing by-laws, and to elect directors for the ensuing year, as well as for the transaction of such other business as may be brought before the shareholders.

By order of the Board of Directors.

A. D. LANGMUIR,
General Manager.

TORONTO, January 17th, 1922

THE BELL TELEPHONE COMPANY
LOCAL
LONG DISTANCE TELEPHONE

"Say Mother, this is Great!"

"I wonder if Frank is ill? I can't understand why we haven't heard from him."

"Don't worry, Mother, he's all right. He has just forgotten to write."

But Mother couldn't help worrying. No letter for ten days from her "boy" at College!

"Call him up right now," said Father—"just ask for the number. The landlady will get him to the phone. It's half-past eight and you'll get the evening rate on a *Station-to-Station* call."

In just six minutes Mother and son were having a heart-to-heart talk. Frank had written a week ago—but—had forgotten to post the letter!

"Well, what a relief," said Mother, as she turned from the telephone, "and to think how simple it was to set our minds at rest. I think I'll call him every week."

She does. Both look forward to those happy few minutes, from week to week. The reduced evening rates on her *Station-to-Station* calls are so very low that, as Mother says, "it would be foolish to deny myself the pleasure."

Every evening Long Distance wires hum with voices bridging the gulf between home and the absent ones.

THE BELL TELEPHONE COMPANY OF CANADA
LOCAL LONG DISTANCE TELEPHONE

Every Bell Telephone is a Long Distance Station

Your Finances

The Man who Saves

At age 19 his bills exceed his income.

At age 21 his Canada Life Policy creates a gap between income and expenditure.

At age 35 his "bills" include a "premium due" which checks extravagance.

At age 50 he can "afford" anything in reason.

At age 60 he has no anxiety for the future, and leisure for his many interests.

A man who sets aside only $200 each six months and allows it to compound at 5½% interest will have at the end of thirty years a total fund of—

Thirty Thousand Dollars

You know many people who *could* set aside $200 each six months. But—

Many a man who has had time to accumulate this moderate fortune, is still "drudging along" without it. For this reason:

Very few men will systematically "put by" a certain definite sum, and leave it untouched for any reasonable length of time. Human nature is seldom built that way.

The Canada Life Plan

Our insurance policies will provide any sum you name, to be delivered to you in cash at any age you desire, or to your Beneficiary should you die in the meantime.

You can thus anticipate the years, *capitalize* your present health and earning power, and make certain of many years' progress *now*.

The Endowment at 65

issued by the Canada Life will solve the problem of your Future.

It is a Certainty

The full amount of your Policy will be paid in any case, whether you live or die. Other investments may depreciate in value or fail. *The Endowment is a certainty.* The guarantee will take care of your home, or your business, or your personal interests, as nothing else can.

Profits Will Hasten Maturity

A special clause in this Policy provides that if the profits be allowed to remain at your credit each year instead of being withdrawn, the face of the Policy will be payable to you some years before you reach age 65.

Whatever your circumstances may be later on in life, you will welcome this fund of a few thousand dollars. You may need it then.

Ask for particulars

Canada Life
Assurance Company
TORONTO, Canada

FILL UP — CUT OFF — MAIL TODAY
Canada Life Assurance Company,
Dear Sirs—Without obligation on my part, please send me particulars of your "Endowment at 65".
Name..........
Address..........
Born..........day of..........1..........
12

WINNIPEG MAYOR IS FAIR TO THE STREET RAILWAY

Says the Future Should Not be Left in Uncertainty

CLEARING THE AIR

If City to Buy Should Decide So Now Otherwise Company Should be Given Chance to Better Service

Special Correspondence

WINNIPEG. — The attitude of Mayor Parnell of Winnipeg in his inaugural address towards the Street Railway of Winnipeg, which is operated as a private enterprise, will strike the average business man as one of the sanest and broad-minded that has been offered by a municipal official for some time. In too many municipalities not only in Canada but the United States a state of warfare has arisen and continued with the local tramway system, that has resulted to the injury not only of the company but of the citizens.

The relations existing in the City of Toronto for many years formed a glaring illustration of never-ending antagonism and bickerings. In the end the company was forced to pass its dividend and its stock slumped with a loss of millions of dollars to its shareholders, while the city on its part was forced to take over a system that had been starved and had fallen into a shameful condition of disrepair and long since had ceased to even pretend to look after the requirements of a marked expansion both in territory and in population. For this condition both parties were probably equally to blame and both paid the heavy penalty for their blind and tactless policies. Silly hostility markthe one, and a weak pandering to municipal politics followed on the part of the other. Recent disclosures that are being made in connection with the present management of Detroit United Railway bid fair to furnish in that city an equally glaring example of narrow-minded retaliatory policies.

But Winnipeg's Mayor comes out with a declaration of policy towards the Winnipeg Electric Railway franchise that is the very antithesis of that of Toronto and Detroit. It is still some years before the franchise expires, and yet he declares that "If it is the intention of the city to assume the ownership of the system the matter should be taken under consideration at the earliest possible moment." On the other hand, if that be not the intention of the city, "it would be not only fair to the company, but of a decided advantage to the city, to give the matter due consideration at once and if possible to make up its mind and inform the company so that that company can make its arrangements to meet the capital expenditures which will be involved in the work required to be performed by it under the headings which are now the subject of negotiation, the company having ascertained that it would be impossible for it to make any arrangements without an extension of the franchise." The Mayor concludes that the City Council should consider at once whether to extend the franchise or take over the system as a municipal utility. And the reason he gives for this very commonsense view on his part is the very commonsense premise: "It should be obvious to everyone that the city is vitally interested in the maintenance of a first-class street railway system."

The policy enunciated by Mayor Parnell is so simple and yet statesmanlike as to commend itself to the best type of citizen, while at the same time surprise will be felt that a similar line of reasoning has so far failed to penetrate the minds of so many municipal leaders and so many managers of street railway systems.

MINING STOCK QUOTATIONS

Week ending January 24

	High	Low	Close	Sales
Adanac	1½	1¼	1¼	8,000
Apex	2	1¾	1¾	7,000
Atlas	11½	9¾	10½	26,000
Beaver	22½	20	20	20,000
Chambers-Fer..	2	..	..	1,000
Cons. Smelt. .	20¾	19¼	19½	1,765
Crown Reserve	15	14¼	14¼	2,500
Dome Lake ...	6⅝	6	6	2,300
Dome Mines .	22.80	21.80	22.50	2,365
Gifford	2¼	2	2	14,000
Hillcrest, com.	62	61½	62	60
Hollinger	8.07	7.94	7.94	5,300
Hunton	8	6½	8	31,000
Keora	10	9	9	20,500
Kirk. Lake ...	33	31	32	17,500
La Rose	34	33	34	5,500
Lake Shore ..	1.33	1.26	1.33	7,700
McKin. Dar. .	18	17	18	8,500
McIntyre	2.28	2.21	2.26	8,200
Mining Corp..	1.10	1.05	1.05	1,750
Moneta	15	12	12	60,000
Newray	7	5	7	15,500
Nipissing	6.80	6.65	6.80	150
Ophir	1	..	..	2,500
Peterson Lake.	5	..	..	1,000
Porcupine Cr..	15½	15	15	6,000
Por. V.N.T. ..	21	19	20	39,500
Preston E. Do.	3	..	.	9,000
Schumacher ..	36	34½	35	51,000
South Keora..	25	17	25	5,000
Teck-Hughes .	31	27	29	351,000
Timiskaming .	35	31	34	13,000
Thomp. Krist..	2	1½	2	38,000
Thethewey ...	9	7	8	66,000
West Dome...	7⅝	7	7½	19,000

OTTAWA POWER MAY INCREASE DIVIDEND

Running Strong in Anticipation of Excellent Report And a Brighter Outlook

From Our Own Correspondent

MONTREAL.—One of the strongest stocks on the exchange this week was Ottawa, Light, Heat and Power, which has advanced over 10 points in the past few weeks. It is understood that the financial statement may show earnings on the common of at least 10 per cent. Many look for an increase shortly in the present dividend of 6%.

MEASURES TO HELP FARMERS OF STATES

Co-operative Buying and Marketing and Wider Credit Facilities

Co-operative buying and marketing, vast expansion of credit facilities, high tariff and low taxes—these will be the cardinal points in the program of relief for farmers to be worked out by the national agricultural conference which was opened this week at Washington by President Harding.

Co-operative buying and marketing means the organizing of farmers in societies for concerted action in getting supplies and in disposing of their products.

Expansion of credit means the setting up of some system by which farmers will be able to borrow money freely to conduct their business or perhaps hold their crops for better market prices.

Legislation needed to put these measures into practice to help the nation's 6,000,000 farm managers and owners will be recommended to Congress through the conference.

The so-called agricultural bloc is being relied upon by practically every one of the nearly 300 delegates to see that the program is made law.

SIR EDGAR SPEYER'S PARTNERS SPEAK

Sir Edgar Speyer's English partners have addressed the following letter to the English press and The Financial Post, dated January 6th:

Dear Sir,—With reference to the report of the certificates of Naturalization Revocation Committee in the case of Sir Edgar Speyer, as published in this morning's press, this should at once dispose of many of the gross insinuations which have been made against him. We have been partners of Sir Edgar Speyer since January, 1912, and have been over twenty years with his firm, and we say without qualification of any sort, that in our opinion he is incapable of any act of treachery against the country of his adoption. Sir Edgar was undoubtedly concerned in certain unfortunate associations in America, certain breaches of war regulations and certain irregularities of a technical nature. He admittedly corresponded with his two sisters and his brother-in-law in Germany and authorized the latter to make small cash payments from one enemy to another to old friends in distress in Germany and Austria, and in certain cases he attempted evasion of the censorship, but there is no suggestion that this, however indefensible on technical grounds, embraced other than purely business and personal matters. We attach little importance to the findings of the question of his continued partnership in Messrs. Speyer & Co., in New York, for some two months after the outbreak of the war, nor of his association with enemy traffic. Any business man recalling the confusion in official and business circles in the early days of the war as to the correct action for those with international banking interests, will appreciate the difficulties and perplexities with which Sir Edgar Speyer was confronted. As regards the exchange transactions, hardly a bank or banking house in London can escape condemnation if such business as that conducted by our firm is defined as trading with the enemy. It now appears to have been practically impossible, as anyone acquainted with this very technical branch of banking will admit, entirely to prevent the possibility of indirect contact with the enemy. The Treasury recognized this over a year after the outbreak of the war by issuing circular letters to bankers, including ourselves, pointing out the difficulty of detecting such contact and enclosing a form of undertaking for signature by neutrals with a view to curtailing this danger. In the case of our firm, we had already, on November 16, 1914, taken the precaution to write to our New York and Amsterdam friends on the subject, adding "you will accordingly be good enough to take every precaution to ensure that no person with whom you do business for such joint account, either directly or indirectly resident in Germany, Austria, or Turkey," and although the committee comment adversely on the form of reply given by Messrs. Texeira de Mattos Brothers in Amsterdam, we still consider that our firm was entirely justified in being satisfied with their acknowledgment, saying "we have received your private lines of the sixteenth instant, contents of which we have duly noted." We maintain in this connection Sir Edgar has nothing to reproach himself with since all the transactions of his firm with neutral countries, viz: Holland and America, and to suggest that he personally engaged in this particular class of business with the knowledge that these transactions would involve benefit to individual Germans and assist the enemy in the war, is, in our opinion, a grave injustice to him. We think that these few comments, which we hope you will be good enough to publish, are due not merely to Sir Edgar himself but to those many friends of his in this country who have known him to be innocent of those baser charges which prejudice has fostered and which the memory of countless acts of kindness and generosity will outlive.

(Signed),
H. W. Brown and Gordon Leith.

RESPONSIBILITIES OF BANK OFFICIALS

Should Be Shared by the Directors, the Management and the Auditors

The development in connection with the Merchants Bank affair have led to a tendency on the part of bank executives to more freely discuss details in connection with the banking machinery. The responsibilties of the management to the board and of the board and the auditors to the shareholders have been definitely outlined at several annual meetings. The result has been a favorable clearing of the air, reassuring the shareholders that the looseness indicated in the case of the Merchants was an exception to the sound business principies generally observed and that as an exception it brought its own consequences.

At the meeting of the Dominion Bank shareholders this week President Sir Edmund Osler said:

> At the annual meeting in January, 1919, I stated that the directors scrutinized very closely the affairs of the bank, both as to loans and securities. I repeat this statement to-day. The directors are familiar with all loans and thoroughly scrutinize all the affairs of the bank.

In connection with the responsibilities of auditors, Mr. Bogert, the general manager, observed:

> The responsibilities of all those who supervise the many important affairs and transactions of a bank have always been very great and were never more so than at this time. These responsibilities are, or should be, shared by three groups—the directors of a bank, the officials of a bank, and the auditors.
>
> I wholly disagree with any contention or suggestion that auditors' duties are in any way of a perfunctory character. Besides a thorough inspection of a bank's cash holdings and investments, auditors should have a real knowledge of a bank's most important loans, for in such business the great danger of a bank's losses lie.

HIGHER PROFITS FOR CANADA LANDED

Funds Transferred From Mortgages to High Class Bonds

While interest collected and due on current loans showed a decline of about $3,000 during the year the interest paid and due on the debentures of the Canada Landed and National Investment Company, declined by nearly $13,000 which contributed to a very favorable showing. Net profits of $202,423 compared with $194,874 for 1920 while earnings on capital increased from 16.2 per cent. a showing all the more significant when compared with 12.6 per cent. for 1919. The sum of $95,000 was added to reserves which now amount to $1,450,000 as compared with paid up capital of $1,205,000. Following are features of the company's earnings record for the past seven years:

	1921	1920	1919
Int. collected .	$481,364	$484,419	$445,053
Bal. forward .	50,596	26,221	132,987
	$531,960	$510,640	$578,040
Int. paid	191,871	204,611	207,915
Dividends . .	120,500	120,500	108,450
Management .	57,010	56,880	52,641
Other disb. .	30,060	28,053	32,813
Reserve . . .	95,000	50,000	150,000
Balance	37,519	50,596	26,221
	$531,960	$510,640	$578,040

Sterling debentures outstanding declined and currency debentures were also slightly lower, the change being about $300,000 on both items. On the other side of the balance sheet a decline in mortgage account of about $340,000 is shown and holdings of municipal bonds are lower the increase being in British, Canadian and provincial securities.

Year	Gross Profits	Net Profits	Div.	% on Cap.
1921	$481,364	$202,423	10	16.7
1920	484,418	194,874	10	16.2
1919	445,053	151,684	9	12.6
1918	415,795	152,299	9	12.6
1917	417,267	158,209	9	13.1
1916	438,867	170,246	9	14.2
1915	454,574	199,200	9	16.5

THE PROCESS OF RECOVERY WILL BE VERY GRADUAL

(Continued from page 1)

ment of conditions there, a pronounced development in trade can hardly be looked for.

On the whole, however, it would be difficult to trace any very definite betterment in trade and industrial conditions since the turn of the year. The old question of price is uppermost in the minds of all classes of dealers as well of the consuming public, and there is a general belief that the bottom of the recession which continued with more or less regularity throughout 1921 has not yet been reached. This situation has a most depressing effect upon business, as dealers will not order ahead, so long as there is a prospect of being able to get the same goods a week or month or two later at a cheaper rate. Consequently retail buying is of the most meagre proportions, and is of sufficient quantity to supply immediate needs only.

STANDARD

Two new directors were added to the board of the Standard Bank of Canada at a special meeting of the board. These are Thomas Bradshaw, General Manager Massey-Harris Company, and A. R. Auld, Managing Director of Nisbet & Auld.

ALGOMA STEEL

• Operations of the Algoma Steel Corporation have declined after the outburst of activity in the later months of 1921, during which production proceeded at approximately 90 per cent. of capacity. President W. C. Franz stated recently that the company's plants were now operating at about 60 to 65 per cent., and orders on hand would keep the company employed at this rate for the next three months. The present situation compares with an average ratio of about 60 per cent. since May, 1921. In October and November, however, operations proceeded on upon an 85 to 90 per cent. basis.

UNLISTED SECURITIES

	Bid	Asked
Algoma Steel 5's 1962...	44	45½
Alta. Pac. Grain	...	125
Do pref.	80	81
Brit. Amer. Assurance ...	4¼	5
Burns, P., 1st Mort. 6's..	103	....
Can. Machinery 6's	73	76
Can. Woolens.	16¼	17½
Canadian Oil	50	54½
Canadian Salt 6's..	89	....
Can. Westinghouse	106	....
Cockshutt Plow 7% pref.	43	46
Collingwood Ship Bld. 6's	92	....
Cuban Can. Sugar pref..	9	10
Davies Wm., 6's	98½	....
D. Iron & S. 5s 1939....	69	70
Dominion Power	20	....
Dunlop Tire pref.	85½	87¼
Do., 6's	90	....
Famous Players pref. ..	56	58
Goodyear Tire pref.	55	56
Morrow Screw 6s	80½	85
Murray-Kay pref.	54	57
National Life	40	....
Neilson, Wm. 6's	90	....
Nova Scotia Steel 6% deb.	72½	....
Ontario Pulp 6's	86½	89½
R. Simpson pref.	77½	78½
Sterling Bank	103	105
Sterling Coal	21	24
Trust and Guarantee....	68	70½
Western Assurance	5	6½
Toronto Power 5s 1924..	95½	....
Gunn's Ltd., pref.	58	61
Home Bank	97¾	100
Imperial Oil	107½	109½
Harris Abbatoir 6's	90½	93
Inter. Milling 6s	91	....
King Edward Hotel 7's.	82	85
Lambton Golf	390	410
Manufacturers' Life	37	40
Massey Harris	....	60
Mattagami Pulp pref. ...	15	21
Mercantile Trust	97	....
Riordon com, (new stock)	¼	⅝
Whalen Pulp com.	7	10
Western Power 5s	66	....

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent., upon the paid-up Capital Stock of this Institution, has been declared for the current quarter, payable on and after Wednesday, the FIRST day of MARCH next, to shareholders of record 31st of January, 1922.

By order of the Board,
FREDERICK WILLIAMS-TAYLOR,
General Manager.
Montreal, 20th January, 1922.

Investors' Opportunity

The inventor of the Cash Register and the Computing Scale has now perfected a mechanical adjunct of progressive business which he proposes to himself market, inviting cooperation in limited amount with prospective participation in large profits. Communicate direct with **Jos. P. Cleal, Consulting Engineer, Suite 306, No. 9 Wellington St. E., Toronto, Ont.**

The Canadian Bank of Commerce

Dividend No. 140

Notice is hereby given that a dividend of three per cent. upon the capital stock of this Bank, being at the rate of twelve per cent. per annum, has been declared for the quarter ending 28th February next, and that the same will be payable at the Bank and its Branches on and after Wednesday, 1st March, 1922, to shareholders of record at the close of business on the 13th day of February, 1922.

By order of the Board,
JOHN AIRD,
General Manager.
Toronto, 20th January, 1922.

Tenders for Debentures

Rural Municipality of Morton,
Boissevain, Man.

Tenders will be received by the undersigned for the purchase of fifty-eight thousand three hundred dollars ($58,300.00) authorized debentures under the "Good Roads Act."

The debentures bear interest at the rate of six (6) per cent. per annum and are payable on the first day of February in each year, during a period of thirty years, in equal annual amounts made up of the aggregate sum due each year on account of principal and interest, viz., four thousand two hundred and thirty-five dollars and forty-three cents ($4,235.43).

Tenders must be marked "Tenders for Debentures" and received by the undersigned not later than noon on Tuesday, February 28th, 1922, A.D.

G. C. SMITH,
Secretary-Treasurer,
Municipality of Morton,
Boissevain, Man.

THE MERCHANTS BANK of CANADA QUARTERLY DIVIDEND

A dividend of 1½% for the current quarter, being at the rate of 6% per annum, upon the paid-up capital stock of the bank, has been declared payable on 1st February next to shareholders of record on the evening of 14th January.

It will be noted that this dividend is approximately equivalent to the quarterly returns the Merchants Bank shareholders will receive in ordinary course in future after they exchange their shares for Bank of Montreal shares under the agreement now before the shareholders.

By order of the Board,
H. B. MACKENZIE,
Acting General Manager.
Montreal, 3rd January, 1922.

MONTREAL LIGHT HEAT & POWER CONSOLIDATED

22nd Dividend

Notice is hereby given that a Dividend of One and One-quarter per cent. on the Paid-up Capital Stock of the Company (being at the rate of Five per cent. per annum) for Quarter ending January 31st, 1922, has this day been declared:

1st. To Shareholders of record January 31st, 1922, on the Montreal and London, England, Registers.
2nd. To Holders of Share-Warrants in redemption of Coupon Serial No. 22.

Dividend cheques will be mailed to Registered Shareholders February 15th, 1922; Share-Warrant Coupons will be redeemed on presentation at the Company's Office, 315 Power Building, Montreal, or at the Banking House of Messrs. Aldred & Co., Limited, 1 Rue des Italiens, Paris, France.

By order of the Board,
C. S. BAGG,
Secretary-Treasurer.
Montreal, January 19th, 1922.

Province of Quebec
City of Three Rivers

Public notice is hereby given that the Council of the City of Three Rivers will receive until the thirteenth day of February, 1922, at four o'clock P.M., at the office of the undersigned, written sealed tenders, endorsed "Tenders for City of Three Rivers' Bonds," for the purchase of said City of Three Rivers' Bonds, amounting to ONE HUNDRED AND FORTY-NINE THOUSAND NINE HUNDRED DOLLARS ($149,900.00), issued for various purposes, under several By-Laws, duly approved according to law, viz.:

A. By-Law 413, $90,100.00, dated November 1st, 1921, maturing in ten years from their date, bearing interest at the rate of 6% per annum, payable semi-annually on the 1st day of May and of November in each year;

B. By-Law 414, $59,800.00, dated November 1st, 1921, maturing in ten years from their date, bearing interest at the rate of 6% per annum, payable semi-annually on the 1st day of May and of November in each year;

Both the principal of these debentures and the interest thereon are payable at the holder's option at the chief office of the Bank of Hochelaga, in the City of Montreal, Province of Quebec, or at any of the branches of the said Bank of Hochelaga in the City of Three Rivers, or in the City of Montreal, or in the City of Quebec. The said tenders will be considered at the meeting of the Council of the City of Three Rivers, the thirteenth February, 1922, at eight o'clock P.M., or so soon thereafter as the Council or one of its Committees can do so. Every tender must be accompanied by a certified cheque equal to one per cent. of the par value of the issues. After the opening of the tenders, the cheques deposited by the tenderers whose offers are not accepted shall be handed back to them without delay; that of the tenderer whose offer is accepted shall be handed back to him after the execution of his contract.

Every tender shall specify whether the price offered does or does not include the interest accrued on the debentures at the time of their delivery. The City of Three Rivers does not bind itself to accept any of the tenders.

THREE RIVERS, this twenty-third day of January, 1922.
ARTHUR NOBERT,
The Treasurer of the City of Three Rivers.

THE
MANUFACTURERS LIFE
INSURANCE COMPANY
HEAD OFFICE, TORONTO, CANADA

1921
A Year of Marked Activity
Business in Force Exceeds 200 Millions
New Insurance Issued $43,813,679.

	1921	1920
Insurance in Force	$200,402,545	$178,757,911
Assets - - - -	37,327,381	33,220,910
Policy and Annuity Reserves - - -	31,924,943	28,121,625
Income - - -	9,557,325	8,630,545

During 1921 the Company continued its practice of investing its funds wholly in Government Bonds and first mortgages on improved property.

The income from investments amounted to $1 825,868. The average rate of interest earned was 6.58%.

The mortality experienced was again very favorable being only 48% of the expected.

Write for copy of Annual Report